



Office of the Auditor General/ Bureau du vérificateur général

AUDIT OF THE DEVELOPMENT REVIEW PROCESS

2007

Chapter 1

**VÉRIFICATION DU PROCESSUS D'EXAMEN
DES DEMANDES D'AMÉNAGEMENT**

2007

Chapitre 1

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EXECUTIVE SUMMARY

Introduction

The Audit of the Development Review Process was included as part of the 2007 Audit Plan first presented to City Council on December 15, 2004.

Background

The Development Review Process (DRP) is a core municipal “horizontal” service delivered by multiple business units from within the City of Ottawa. The DRP regulates the use and development of land, the assumption of municipal infrastructure from developers, and the construction process for residential and non-residential buildings. The execution of the DRP by the City must have due regard for the core statutory requirements of the Planning Act, the Building Code Act, and the Municipal Act as well as many secondary statutes. Over 800 annual DRP applications are reviewed, and over 1,700 active City development agreements require condition enforcement/monitoring. The DRP involves numerous City business units, external agencies, City Council, and development community applicants. DRP consumes application processing and enforcement effort from more than 200 staff positions.

Summary of Key Findings

The 2007 audit of the Development Review Process has determined that the City DRP is performing sub-optimally. Pertinent examples of fundamental shortcomings in DRP are as follows:

1. Planning Act application processing turnaround times are consistently slow – they do not conform to City defined service level standards nor do they mirror Provincially legislated timeframes.
2. Interviewed Councillors and developers are convinced the current DRP model has significant communication/logistical and process management shortcomings.
3. DRP cost recovery is substandard compared to Ontario growth municipality peers. A conservative financial analysis reveals that at least \$4.3 million in DRP Planning and Engineering costs are subsidized by property taxpayers in the absence of full cost recovery fee structures. Current DRP user fee rate structures do not conform to industry design standards when compared to Ontario growth municipality peers.
4. The City’s Early Servicing Regime for expediting green field residential development poses significant unmanaged financial risk for the City. As well, the conditional building permit process administered by the City to approve the majority of green field residential building permits (as part of the ESA regime) does not appear to comply with Provincial law governing conditional permits as set out in the Building Code Act.

5. Development agreements drafted and administered by the City have not been aligned with the Early Servicing Regime approvals process and “real world” timelines for green field approvals that are triggered well in advance of subdivision registration. Development agreement condition enforcement by City staff is reactive and lacks properly defined compliance targets for infrastructure scheduling and amenity provision (streetlights, parks, sod, and sidewalks). Senior staff has noted that agreement enforcement is not always consistent, and that negotiated ad-hoc compliance arrangements occur regularly.
6. Critical technology driven information management solution gaps are evident within DRP. The MAP workflow management application, used by Planners at the front-end of DRP and Building officials at the back-end of DRP, is not available for tracking middle-DRP development agreement compliance and inspection work. This omission results in a reliance on inadequate manual or ad-hoc spreadsheet tracking of the 1,700 or more active development agreements in the City.
7. The City’s current dispersed business unit model administering DRP features staff that are geographically separated and lacking fully integrated workflow management technology. Redundant technical perspectives during the review process are not being effectively reconciled among competing engineering groups across departments. Leadership in “cradle to grave” DRP application file management is absent due to the dispersed authority model, despite near universal acknowledgement that the Planning and Infrastructure Approvals Branch should be “running” the entire DRP.
8. Positive DRP performance outcomes have also been documented in the audit:
 - Contrary to some perceptions, the City is performing well at the OMB (Ontario Municipal Board) – with successful outcomes approximately 75% of the time.
 - Planning due diligence is being delivered on audit sample applications regardless of size and complexity.
 - The amount of processing effort being expended on DRP files by staff is within peer municipality norms. In fact the City enjoys an overall efficiency/productivity dividend in terms of required processing effort when compared to an Ontario municipal peer benchmark.
 - The “up-front” pre-consultation process on DRP Planning Act applications is supported by all involved participants, and is providing improved clarity for applicants around application review technical requirements and process.

Recommendations and Management Responses:

Audit recommendation highlights include the following:

- Execution of a comprehensive review of DRP fees (during 2008) to achieve full cost recovery fee structures for the 2009 budget year.

- Organization design restructuring to create a “one window” centralized DRP business unit within the Planning Infrastructure Approvals Branch to replace the current dispersed multiple business unit model.
- Creation of cross-disciplinary application review teams within the Planning Infrastructure Approvals Branch to deal with applications “cradle to grave”. Teams will be lead by an empowered DRP chief who will reconcile competing technical perspectives “in the field” in order to improve DRP turnaround time performance. Teams will eliminate DRP bottlenecks caused by redundant technical participants offered by staff located outside the teams.
- Re-design of the Early Servicing Regime to achieve legal compliance and risk mitigation. Alignment of Early Servicing Regime with target driven development agreement conditions focussed on infrastructure scheduling and amenity provision, i.e., streetlights, sidewalks and parks.
- Ensure consistent enforcement of development agreement conditions, including infrastructure requirements and amenity provisions.
- Adoption of multiple specific process re-engineering solutions to remove DRP bottlenecks involving staff, Council, external agencies and applicants.
- Ensure issuance of building permits is in compliance with provincial legislation. Approximately 13% of new housing building permits may contravene legal requirements of the Ontario Building Code Act.
- Improve processing turnaround time and establish performance indicators to monitor them.
- Improve tracking of DRP agreements through the MAP system.

Recommendations appear below under the three audit themes used throughout this report:

- i. Financial Performance;
- ii. Compliance; and,
- iii. Process Efficiency and Organizational Design.

FINANCIAL PERFORMANCE

Recommendation 1

That the City execute a comprehensive review of DRP fees (during 2008) to achieve full cost recovery fee structures for the 2009 budget year.

Management Response

Management agrees with this recommendation.

PTE will engage a consultant to undertake a comprehensive review of development review process (DRP) fees at an estimated cost of \$100,000, subject to budget approval in the 2009 budget. With the inclusion of compliance issues associated with Planning Act Section 69 (see recommendation 2) in the comprehensive review of DRP fees, a level of effort analysis will be required from the various business units involved in the DRP, for each type of application. This analysis will be undertaken during 2009 for implementation of the full cost recovery structure for the 2010 budget year.

It should be noted, that the figures quoted in the cost-recovery analysis table on page 5 of the full report are incorrect. Additional Planning branch revenues attributable to the DRP, and for which expenses are included in Planning Branch expenditures, have not been recognized. As a result, management believes the table should be revised.

Since 2006, steps have been taken to improve the cost recovery rate of the Planning Branch. In the 2007 and 2008 budget discussions, Council approved fee increases for planning applications. A subsequent increase to raise an additional \$1.3 million in planning fees is scheduled for implementation on April 1, 2008.

Recommendation 2

That the comprehensive review of DRP fees should also address compliance issues associated with Planning Act Section 69 fee rate structure design (in order to reduce OMB challenge risk).

Management Response

Management agrees with this recommendation.

This work will be undertaken during 2009, for implementation of the full cost recovery structure for the 2010 budget year (see recommendation 1).

COMPLIANCE

Recommendation 3

That Planning and Infrastructure Approvals Branch management team improve intake of development applications through a 'one window team' that takes ownership of an application immediately at the moment of intake at the Client Service Centres. The 'one window team' needs to have knowledgeable intake staff dedicated to DRP, Planning staff, and Infrastructure Approvals staff working side-by-side so an application can be shepherded (or turned away) as soon as it enters the system.

Management Response

Management agrees with this recommendation.

PTE will work with staff in the Client Service Centres to ensure the review of all applications at the time of intake, confirming that all submission requirements have been satisfied.

Recommendation 4

That Planning and Infrastructure Approvals Branch management team make terms of reference accessible for special studies. Issuing the terms of reference for these studies, so that they are accessible to all potential proponents, will provide valuable up-front guidance on the City's expectations.

Management Response

Management agrees with this recommendation.

PTE agrees that providing all potential proponents with access to the terms of reference for special studies will provide upfront guidance on the City's expectations. PTE will consult with Client Services and Public Information Branch (CSPI) and Information Technology Services branch (ITS) to post terms of reference documents on ottawa.ca. Terms of reference for studies that are currently complete are being translated and will be posted on ottawa.ca by Q4 2008. Relevant links to terms of reference related to other agencies will also be provided online. Studies such as hydrogeological guidelines and guidelines for heritage impact statements that are in progress will be posted online as they are finalized and approved by Council.

In order to maintain up-to-date online versions of City-approved terms of reference, as well as those of other agencies and the provincial government, further resourcing will be required. This resource is estimated to cost \$70,000 and is subject to budget approval in the 2009 budget. This is tied to recommendations 17 and 18.

Recommendation 5

That Planning & Infrastructure Approvals Branch management team ensure better timeline documentation and "stopping of the clock".

Management Response

Management agrees with this recommendation.

During 2007, the Municipal Applications Partnership (MAP) tasking data completion rates improved to 70-80%. Considerable training related to the April launch of the project to post development application information on ottawa.ca, has reinforced the importance of regular MAP tasking to staff. Planning Branch management will continue to utilize management reports from MAP to conduct regular reviews. Current staff will be trained on the use of MAP and 'on hold' i.e., 'stopping the clock' processes and comprehensive training will be made available for new staff.

Recommendation 6

That the Planning and Infrastructure Approvals Branch initiate improvement of the IT system/support for both City and proponent monitoring of applications.

Management Response

Management agrees with this recommendation.

Several projects have been identified to improve the IT system/support for monitoring of applications. Planning and ITS are currently working on a project (#2367) that will make development application details, including status information, available to the public and proponents via ottawa.ca for applications that require public consultation. This is scheduled for release in early April 2008. A project (#1071) to provide more detailed information and application status information to proponents via ottawa.ca was delayed pending completion of the abovementioned project. PTE will work with ITS to renew project #1071, scope the requirements and identify timelines in Q4 2008.

Planning and PWS staff are also working on project #941, which is related to inspections and release of securities (see recommendation 7).

Recommendation 7

That the City implement on an urgent basis, the required MAP application expansion to manage inspection activity and condition timeline performance as required by the compliance enforcement requirements associated with 1,700 active development agreements.

Management Response

Management agrees with this recommendation.

ITS project #941, currently in progress, will provide updates on inspection activity related to development applications for the purposes of managing financial securities. This project, involving PTE, PWS and ITS, is moving to the testing phase in the spring of 2008 and is expected to be fully operational by Q4 2008.

Recommendation 8

That the City implement and enforce new development agreement timing / compliance targets for streetlights, sidewalks and parks. The City should also impose park provision timing/compliance targets upon itself, as was the case when developers were responsible for supplying parks as per past development agreements.

Management Response

Management agrees with this recommendation.

Management will work with all internal and external stakeholders to develop and reaffirm timing and compliance targets for streetlights and sidewalks. Management will establish a system for enforcing compliance with targets, in conjunction with the review of the subdivision/site plan standard agreements and conditions, scheduled for Q1 2009. It should be noted that aggressive monitoring will be required during the inspection phase to ensure compliance.

Due to the relationship between recommendations 8, 9, and 10, and the internal/external stakeholders involved, PTE will undertake work on these recommendations simultaneously.

Timing and compliance targets for parks development have been implemented for all new subdivision agreements since 2007. The City does not currently complete all park development. There are subdivision agreements on file that predate the 2004 Council decision to bring park development to the City. Requests for “Front Ending Agreements” for park development are still received and handled on a case-by-case basis as requested by the developer and the local Councillor. To consistently manage these requests for Front Ending Agreements, Parks and Recreation Branch are preparing a policy report to Committee and Council for consideration in Q3 2008.

Recommendation 9

That the City design development agreement absorption targets for sidewalks, streetlights and parks that move forward in stages within a given subdivision – for instance, once 50% of lots are sold then all sidewalks in blocks featuring five or more sold units must be installed within a certain amount of time.

Management Response

Management agrees with this recommendation in relation to streetlights and sidewalks.

Management will work with internal/external stakeholders to design development agreement absorption targets based upon constructed works (not units sold as suggested in the example provided) by Q1 2009. Targets based on units sold are problematic due to construction staging. General practice is to install sidewalks after units are constructed and rough graded to avoid damaging the sidewalk during construction of the home. This also ensures that the sidewalk is constructed at the proper elevation to avoid drainage problems. It follows that a sidewalk should be installed when the need arises, not based on sales. That way, the City is not responsible for maintaining a sidewalk that is not required.

Streetlights must also be staged such that they are coordinated with the construction of other utilities to avoid constructor issues. The same would generally apply to home sales and placement of streetlights. It could be possible, however, to pick a defined point in time where a streetlight must be installed, such as prior to issuance of a specified number of building permits, or prior to first occupancy.

Due to the relationship between recommendations 8, 9, and 10, and the internal/external stakeholders involved, PTE will undertake work on these recommendations simultaneously.

Management disagrees with this recommendation in relation to parks.

City policy states that a deficit cannot be incurred for “soft services”, such as the construction of parks (Ref No: ACS2006-CRS-FIN-0011). Park development is 90%

funded from development charges (DC) and 10% from the tax base. DC money is collected at the time of building permit issuance. Therefore, the funds required to develop the park are not in place until the subdivision, or phase of a subdivision, is substantially complete.

Recommendation 10

That the City design and implement small/medium/large subdivision bundles of development agreement timing targets for amenities like sidewalks, streetlights, parks and sod. This will avoid an arbitrary “one size fits all” single set of targets being applied to differing servicing and amenities realities across diverse subdivisions.

Management Response

Management agrees with this recommendation in relation to streetlights and sidewalks.

PTE will work with internal/external stakeholders to design and implement small/medium/large subdivision bundles of development agreement timing targets for amenities like sidewalks, streetlights, and sod for Q1 2009.

Due to the relationship between recommendations 8, 9, and 10, and the internal/external stakeholders involved, PTE will undertake work on these recommendations simultaneously.

Management disagrees with this recommendation in relation to parks.

City policy states that a deficit cannot be incurred for “soft services”, such as the construction of parks (Ref No: ACS2006-CRS-FIN-0011). Park development is 90% funded from development charges (DC) and 10% from the tax base. DC money is collected at the time of building permit issuance. Therefore, the funds required to develop the park are not in place until the subdivision, or phase of a subdivision, is substantially complete.

Recommendation 11

That the City should require a “success feasibility” assessment from Legal staff for Council prior to embarking on each Ontario Municipal Board case, in order to maintain the City’s strong win-lose performance at the OMB. This assessment will function as a quality control check; thereby ensuring fiscal resources associated with the case are being expended prudently.

Management Response

Management agrees with this recommendation with respect to cases where Council is not accepting the advice of PTE staff.

The audit reveals that where Council is acting on the advice of PTE staff, the success rate at the OMB, should an appeal be received, is very high. To require a legal

opinion be filed with Council for each such appeal would seem, therefore, to be an unwarranted use of resources.

However, where Council does not accept the advice of PTE, or it appears from a committee recommendation that Council may not accept the advice of PTE staff, a legal opinion on the merits of the case will be provided.

Recommendation 12

That the Chief Building Official, in exercising his/her legal discretion to issue conditional building permits and conduct required statutory inspections, should establish an on-going business rule that building permits not be issued prior to legal lot creation/registration.

Management Response

Management agrees with this recommendation.

The current policy and procedure will be revisited, in Q1 2009, upon completion of the review and revision to the early servicing agreement system (see recommendation 23), and will be amended as necessary.

Recommendation 13

That the Chief Building Official and Legal Services Branch should jointly respond to the audit by demonstrating that Ontario Building Code Act (OBCA) residential conditional permits (issued under the ESA regime) meet the Section 34 zoning applicable law review obligations of the City at the time of permit issuance.

Management Response

Management agrees with this recommendation.

The current policy and procedure will be revisited, in Q1 2009, upon completion of the review and revision to the early servicing agreement system (see recommendation 23), and will be amended as necessary.

PROCESS EFFICIENCY

Recommendation 14

That the City consider the impact of geographic location of key staff when creating a "One Window Team" for DRP. For the "One Window" to be effective, geographic barriers may need to be removed where they have posed a hindrance to the timely sharing workload and data across the entire City portfolio of DRP files.

Management Response

Management agrees with this recommendation.

PTE understands 'One Window' in this recommendation to be above and beyond the intake of development applications as identified in recommendation 3, and to mean

co-locating all DRP staff in one location. It is also understood that recommendation 25 has a bearing on this recommendation.

Depending on the ultimate service delivery model selected for the DRP, costs will be associated with the accommodation of the 'One Stop Service'. These costs will range from nominal if staff moves are involved within existing work areas, to substantial if leasing new space and renovations are required to accommodate staff locating in one area. A detailed analysis will need to be undertaken in 2008 with implementation occurring in 2009, subject to budget approval in the 2009 Budget.

Recommendation 15

That Planning and Infrastructure Approvals Branch clearly identify a lead planner (Project Chief) for all DRP files.

Management Response

Management agrees with this recommendation.

PTE will ensure that the roles and responsibilities of the lead planner (i.e., project chief) are clear and are understood both internally and externally.

Recommendation 16

That Planning and Infrastructure Approvals Branch arrange project/logistics management training for DRP Project Chiefs. This training will strengthen staff's ability to manage process and address conflict. Ideally, all key DRP team members should receive project/logistics management training, but as a minimum, all DRP Project Chiefs must receive training during 2008.

Management Response

Management agrees with this recommendation.

While procedures are in place to outline the various steps involved in the review and approval process, PTE supports the provision of project/logistics management training for all staff managing project files. Additional funding, estimated at \$120,000, is required for this training, which will be provided on an intact team basis.

PTE will consult with ITS about the potential for the purchase and/or development of leading edge project management software. An estimate of costs and timelines will be developed following consultation, by Q4 2008.

Recommendation 17

That Planning and Infrastructure Approvals Branch provide improved feedback and advice during pre-consultation by using a detailed pre-consultation form/checklist.

Management Response

Management agrees with this recommendation.

Management is currently preparing pre-consultation guidelines and associated documents, including a detailed form/checklist. PTE will consult with CSPI and ITS in order to post this information on ottawa.ca. This project is scheduled for completion by Q4 2008. The pre-consultation guidelines are linked to recommendations 4 and 18.

Recommendation 18

That Planning and Infrastructure Approvals Branch publicly issue its Development Manual, by making it available on the City's Website and making hard copies available for purchase at all Client Service Centres. If portions of the manual cannot be issued publicly because certain criteria are those of other agencies, the manual should be issued with the City-only criteria immediately; a full manual with agency criteria should be issued within a specified timeframe.

Management Response

Management agrees with this recommendation.

PTE agrees that providing all potential proponents with access to the Matrix of Required Studies and Assessments will provide up-front guidance on the City's expectations. PTE will consult with CSPI and ITS to make documents more prominent on ottawa.ca.

Due to ongoing changes to these documents, and the need to ensure updated information is available on ottawa.ca, additional staff resources will be required. Resources are estimated to cost \$70,000 and are subject to budget approval in the 2009 Budget. This is tied to recommendations 4 and 17.

Recommendation 19

That Planning and Infrastructure Approvals Branch implement mandatory pre-consultation requirements through Planning Act provisions.

Management Response

Management agrees in principle with this recommendation.

The implementation of mandatory pre-consultation requires an Official Plan amendment. PTE will review the concept of mandatory pre-consultation in the context of the Official Plan review and will bring recommendations forward for Committee and Council consideration in Q4 2008.

Recommendation 20

That City staff conduct a DRP workshop with Hydro Ottawa to identify turnaround time reduction and process re-engineering opportunities.

Management Response

Management agrees with this recommendation.

Consultation between Hydro Ottawa, Hydro One and the development industry has been identified on the PTE work plan for 2008. Through this consultation, turnaround times and process engineering opportunities will be reviewed. This consultation and any related changes are targeted for completion by Q4 2008.

Recommendation 21

That Planning and Infrastructure Approvals Branch advise clients of the name of the Project Chief responsible on DRP files in the letter deeming the application complete.

Management Response

Management agrees with this recommendation.

PTE has a process in place to advise clients of the assigned planner responsible for the file. Existing protocols will be reviewed and revised by Q2 2008 to ensure that copies of the letters sent to the clients are placed on file.

Recommendation 22

That Planning and Infrastructure Approvals Branch and the Legal Services Branch review and if appropriate, consider amending the Site Plan By-law to exempt conversions to restaurant from Site Plan control.

Management Response

Management agrees with this recommendation.

Planning and Legal Services will review and consider amending the Site Plan Control By-law to exempt conversions to restaurant from site plan control, and if appropriate, will bring forward a report to Committee and Council to change the Site Plan By-law by Q4 2008.

Recommendation 23

That the City restructure the Early Servicing Agreement regime as directed in the audit, in order to mitigate financial risk while retaining legally compliant timeframe efficiencies.

Management Response

Management agrees with this recommendation.

A review of the Early Servicing Agreements process (ESAs) will be initiated with all internal/external stakeholders in conjunction with the review of the subdivision standard development agreements and conditions (see recommendations 8, 9, and 10). Any resulting changes will be brought to Committee and Council for consideration in Q1 2009.

Recommendation 24

The City should implement periodic staff processing effort tracking against selected sample applications within the six benchmarked categories. Staff processing effort trends should be documented over time, and comparisons against peer municipalities should be initiated. This processing efficiency data should be integrated into an annual DRP balanced scorecard tool (i.e., results based performance measurement) and utilized to set business plan performance targets for DRP. The balanced scorecard and business plan should also address turnaround times for Planning Act applications and compliance based inspection coverage for development agreements.

Management Response

Management agrees with this recommendation.

PTE will consult with ITS to develop and implement a system for periodic staff processing effort tracking to include all core components of the DRP. Timelines will be identified following consultation with ITS. PTE will work with internal stakeholders to integrate this processing efficiency data, along with turnaround times for Planning Act applications and development agreements inspection compliance, into a results-based performance measurement tool that will be used to set business plan performance targets for DRP.

It should be noted that during our factual review of the audit report, the department identified to the auditor, errors that exist in the table entitled "Ottawa Capacity Analysis". The table does not recognize processing effort by PWS staff for both Major Rezoning and Infill Rezoning applications. For these application types, PWS staff undertakes capacity research to determine whether the infrastructure system can accommodate the proposed zoning request. Management believes this level of effort should be reflected in the table.

Recommendation 25

That cross-disciplinary staff teams should be created to manage applications from "cradle to grave" across both its Planning Act and development agreement condition compliance (i.e., servicing and amenities) stages.

Management Response

Management agrees with this recommendation.

Management will create cross-disciplinary staff teams to manage applications from "cradle to grave", for implementation by Q4 2008.

Conclusion

The DRP is a core "mission critical" service delivered by the City. It is horizontal in nature - involving multiple dispersed business units and hundreds of City staff. It represents a complex blend of logistics, information technology, and accountability challenges for the City.

The audit has identified a significant number of service delivery improvement opportunities, a summary of which follows:

- DRP cost recovery performance can be improved to eliminate an existing property tax subsidy of at least \$4.3 million;
- Sub-standard application turnaround times can be improved by the adoption of multiple service delivery process re-engineering “fixes” and the creation of a “one window” consolidated DRP organization model. This consolidated organization model will feature cross-disciplinary teams lead by an empowered and accountable Project Chief;
- Legal compliance and financial risk management issues can be effectively addressed by restructuring the City’s Early Servicing Agreement regime – without sacrificing appropriate timeframe savings;
- Recommended adoption of benchmarking, performance measurement and target driven business planning toolkits will improve accountability and performance. They will also document instances of existing excellence in service delivery.

The audit has concluded that overall, the DRP is performing sub-optimally. The reasons for its sub-optimal performance are numerous and varied – we have attempted to provide an evidence based documentation of these performance issues and underlying causes. While DRP is performing sub-optimally as a system, numerous participants within the system are performing appropriately. Timely implementation of our recommendations can play a positive “change management” role in building a more responsive, accountable and measurement driven “best practices” DRP model.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

RÉSUMÉ

Introduction

La vérification du processus d'examen des demandes d'aménagement était prévue dans le Plan de vérification de 2007 présenté au Conseil municipal le 15 décembre 2004.

Contexte

Service essentiel « horizontal » de l'administration municipale, le processus d'examen des demandes d'aménagement (PEDA) est assuré par diverses unités de travail de la Ville. Il régit l'utilisation et l'aménagement du territoire, la prise en charge présumée d'infrastructures municipales par des promoteurs et le processus de construction des bâtiments résidentiels et non résidentiels. La Ville doit appliquer le PEDA en tenant compte des exigences de la *Loi sur l'aménagement du territoire*, de la *Loi sur le code du bâtiment*, de la *Loi sur les municipalités* et de nombreuses autres lois pertinentes. Plus de 800 demandes d'aménagement sont examinées chaque année, et au-delà de 1 700 accords d'aménagement actifs de la Ville doivent être surveillés pour que soient respectées les conditions. Le PEDA exige la participation de multiples unités de travail de la Ville, d'organismes externes, du Conseil municipal ainsi que de la communauté des promoteurs immobiliers d'où émanent les demandes. Le traitement des demandes et les mesures d'application du processus mobilisent plus de 200 membres du personnel.

Sommaire des principales constatations

La vérification de 2007 du processus d'examen des demandes d'aménagement (PEDA) révèle que le rendement de la Ville à ce chapitre n'est pas optimal. Des exemples pertinents des lacunes fondamentales dans le PEDA se trouvent ci-dessous :

1. Le délai de traitement des demandes formulées aux termes de la *Loi sur l'aménagement du territoire* est toujours plus long. Il n'est pas conforme aux normes de niveau de service établies par la Ville tout comme il ne correspond pas aux délais prescrits par la Province.
2. Les conseillers et les promoteurs interviewés sont convaincus que le modèle actuel du PEDA présente d'importantes lacunes sur les plans de la communication, de la logistique et de la gestion.
3. Le recouvrement des coûts du PEDA ne répond pas à la norme des municipalités ontariennes connaissant une croissance comparable à celle d'Ottawa. Une analyse financière prudente révèle qu'en raison de l'absence de barèmes de droits permettant d'assurer le recouvrement intégral des coûts, au moins 4,3 millions de dollars en coûts de planification et d'ingénierie relatifs à l'examen des demandes sont financés à partir de l'impôt foncier. Les barèmes de droits d'utilisation actuels prévus par le PEDA ne sont pas conformes aux normes de conception de l'industrie

chez les municipalités ontariennes connaissant une croissance comparable à celle d'Ottawa.

4. La politique de viabilisation anticipée de la Ville, qui vise à accélérer l'aménagement de nouveaux quartiers résidentiels, expose celle-ci à d'importants risques financiers non gérés. En outre, le processus d'octroi de permis de construire conditionnels administré par la Ville de manière à ce que soient approuvés la majorité des permis de construction résidentielle visant de nouveaux quartiers (dans le cadre de la politique d'ententes de viabilisation anticipée) ne semble pas respecter les dispositions législatives formulées à cet égard par la Province dans la *Loi sur le code du bâtiment*.
5. Les accords d'aménagement rédigés et administrés par la Ville ne concordent ni avec le processus d'approbation de la politique de viabilisation anticipée ni avec les délais du « monde réel » pour les approbations de nouveaux quartiers données bien avant que le lotissement soit enregistré. Les mesures prises par le personnel de la Ville pour faire respecter les conditions des accords d'aménagement ne sont que réactives et sont dépourvues d'objectifs de conformité adéquatement définis en matière de délais pour l'aménagement des infrastructures et l'installation des éléments d'agrément (éclairage de rue, parcs, gazon, trottoirs). Les cadres supérieurs ont fait remarquer que les mesures d'application des accords ne sont pas toujours uniformes et qu'il arrive fréquemment que des ententes soient négociées au cas par cas.
6. Il est évident que le PEDDA présente des lacunes fondamentales pour ce qui est de recourir à des solutions technologiques pour gérer l'information. Le logiciel d'application de gestion de flux de travaux PAM, utilisé par les urbanistes au début du PEDDA et le personnel de Services du bâtiment à la toute fin, ne permet de vérifier en milieu de processus ni le respect de l'accord d'aménagement ni les travaux d'inspection réalisés, de sorte que le suivi des quelque 1 700 accords d'aménagement en vigueur dans la ville repose sur des chiffriers manuels ou spéciaux inadéquats.
7. Le modèle actuel d'administration multipartite de la Ville pour le PEDDA fait intervenir un effectif géographiquement dispersé qui n'a pas accès à une technologie de gestion entièrement intégrée de flux de travaux. Les perspectives techniques redondantes au cours du processus d'examen ne sont pas rapprochées de façon efficace par les divers groupes d'ingénieurs qui se font concurrence d'un service à l'autre. La gestion intégrale (« du berceau au tombeau ») des dossiers du PEDDA fait défaut en raison du modèle de dispersion du pouvoir, bien qu'il soit reconnu presque universellement que l'entière « application » du PEDDA devrait être confiée à la Direction de l'approbation des demandes d'aménagement et d'infrastructure.
8. La vérification a également recueilli des résultats de rendement positifs pour le PEDDA :
 - Contrairement à certaines perceptions, la Ville s'en tire plutôt bien dans ses audiences auprès de la CAMO, avec un taux de succès de l'ordre de 75 p. 100.

- Les demandes d'aménagement formant l'échantillon de vérification ont été traitées avec la diligence requise, peu importe l'envergure ou la complexité du projet.
- Le travail effectué par le personnel pour traiter les dossiers assujettis au PEDDA respecte la norme adoptée par des municipalités homologues. En fait, la Ville jouit d'un dividende sur l'efficacité et la productivité globales en termes d'efforts requis pour le traitement en comparaison au point de référence des municipalités ontariennes analogues.
- Le processus de consultation préalable « immédiat » pour les demandes d'aménagement présentées aux termes de la *Loi sur l'aménagement du territoire* est appuyé par toutes les personnes qui y participent et donne à l'auteur d'une demande d'aménagement une idée plus claire des exigences techniques et du processus d'examen.

Recommandations et réponses de la direction

Parmi les points saillants des recommandations, on trouve :

- Procéder (en 2008) à l'examen complet des droits exigés dans le cadre du PEDDA afin d'établir un barème de droits qui permettra un recouvrement intégral des coûts pour l'exercice budgétaire de 2009;
- Restructurer l'aménagement organisationnel afin de remplacer le modèle d'administration multipartite actuel par un « guichet unique » du PEDDA au sein de la Direction de l'approbation des demandes d'aménagement et d'infrastructure;
- Créer au sein de la Direction de l'approbation des demandes d'aménagement et d'infrastructure des équipes interdisciplinaires d'examen des demandes qui s'occuperont du traitement intégral des demandes (« du berceau au tombeau »). Ces équipes seront dirigées par un chef habilité du PEDDA qui rationalisera les perspectives techniques en concurrence « du domaine » afin d'écourter les délais de traitement associés au PEDDA. Ces équipes permettront d'éliminer le goulot d'étranglement du PEDDA causé par les opinions techniques redondantes offertes par des membres du personnel qui ne font pas partie d'une équipe.
- Réviser la politique de viabilisation anticipée pour la rendre conforme aux lois et réduire les risques. Aligner la politique de viabilisation anticipée sur les conditions des accords d'aménagement axée sur la planification des infrastructures et l'installation des éléments d'agrément (c.-à-d. l'éclairage de rue, les parcs, le gazon, les trottoirs).
- Assurer de façon méthodique le respect des conditions énoncées dans les accords d'aménagement, notamment les exigences relatives aux infrastructures et aux éléments d'agrément.

- Mettre en œuvre diverses solutions précises visant à remodeler le processus pour en éliminer les facteurs de ralentissement faisant intervenir le personnel, le Conseil, des organismes externes et l'auteur de la demande.
- Veiller à ce que la délivrance des permis de construire soit conforme aux lois provinciales. Environ 13 p. 100 des nouveaux permis de construire résidentiels pourraient contrevenir aux exigences de la *Loi sur le code du bâtiment* de l'Ontario.
- Améliorer le délai de traitement des demandes et établir des indicateurs de rendement pour le surveiller.
- Améliorer le suivi des accords d'aménagement dans le système PAM.

Les recommandations énoncées ci-après sont regroupées selon les trois thèmes de la vérification utilisés tout au long du présent rapport :

- i. rendement financier;
- ii. conformité;
- iii. efficacité du processus et aménagement organisationnel.

RENDEMENT FINANCIER

Recommandation 1

Que la Ville procède (en 2008) à l'examen complet des droits exigés dans le cadre du PEDDA dans le but d'établir un barème de droits qui permettra un recouvrement intégral des coûts pour l'exercice budgétaire 2009.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Urbanisme, Transport en commun et Environnement (UTCE) engagera un expert-conseil en vue d'examiner l'ensemble des droits exigés dans le cadre du processus d'examen des demandes d'aménagement (PEDDA) au coût estimé de 100 000 \$, sous réserve de l'approbation de la dépense dans le budget de 2009. L'examen portera également sur les questions de conformité associées à l'article 69 de la *Loi sur l'aménagement du territoire* (v. la recommandation 2), ce qui nécessitera, de la part des diverses unités participant au PEDDA, une analyse du travail requis pour le traitement de chaque type de demande. Cette analyse sera entreprise en 2009 de manière à ce que le barème de droits assurant le recouvrement intégral des coûts puisse être mis en œuvre pour l'exercice financier 2010.

Il est à noter que les chiffres énoncés dans le tableau d'analyse du recouvrement des coûts à la page 5 du rapport intégral de vérification sont erronés. La Direction de l'urbanisme a enregistré d'autres recettes attribuables au PEDDA, et pour lesquelles des dépenses sont inscrites dans ses livres, qui ne sont pas reconnues dans ce tableau. Par conséquent, la direction estime que celui-ci devrait être révisé.

Depuis 2006, des mesures ont été prises pour améliorer le taux de recouvrement des coûts de la Direction de l'urbanisme. Lors des délibérations budgétaires de 2007 et de 2008, le Conseil municipal a approuvé une hausse des droits associés aux demandes d'aménagement. Une hausse subséquente visant à aller chercher 1,3 million de dollars supplémentaires en recettes découlant des demandes d'aménagement devrait entrer en vigueur le 1^{er} avril 2008.

Recommandation 2

Que l'examen complet des droits exigés dans le cadre du PEDA porte aussi sur le respect des droits prévus à l'article 69 de la *Loi sur l'aménagement du territoire* (afin de réduire le risque d'interjection d'appels auprès de la CAMO).

Réponse de la direction

La direction est d'accord avec cette recommandation.

La tâche sera amorcée en 2009 en vue de l'application d'un barème de droits permettant un recouvrement complet des coûts pour l'exercice financier 2010 (v. la recommandation 1).

CONFORMITÉ

Recommandation 3

Que l'équipe de gestion d'Approbation des demandes d'aménagement et d'infrastructure améliore le processus de réception des demandes d'aménagement en constituant un « guichet unique » qui prendra en charge chaque demande dès l'instant où elle aura été déposée à un centre du service à la clientèle. L'équipe « guichet unique » devra compter des membres du personnel bien renseignés chargés de la réception des demandes et spécialement affectés au PEDA, de même que des membres du personnel d'Urbanisme et d'Approbation des demandes d'infrastructure qui travailleront de pair de sorte qu'une demande pourra être guidée (ou rejetée) dès que le processus sera lancé.

Réponse de la direction

La direction est d'accord avec cette recommandation.

UTCE collaborera avec le personnel des centres du service à la clientèle pour s'assurer que chaque demande est examinée au moment de sa réception afin de vérifier qu'elle satisfait à toutes les exigences de soumission.

Recommandation 4

Que l'équipe de gestion d'Approbation des demandes d'aménagement et d'infrastructure publie le cadre de référence pour les études spéciales. La publication du cadre de référence afin qu'il soit accessible à tous les promoteurs potentiels permettra à ces derniers d'obtenir dès le départ des renseignements précieux quant aux attentes de la Ville.

Réponse de la direction

La direction est d'accord avec cette recommandation.

UTCE convient que si le cadre de référence des études spéciales est mis à la disposition de tous les promoteurs potentiels, ceux-ci connaîtront les attentes de la Ville dès le départ. UTCE consultera la Direction des services à la clientèle et de l'information au public (SCIP) et la Direction des services de technologie de l'information (STI) afin de publier les documents en question sur ottawa.ca. Ceux dont la rédaction est achevée sont en voie d'être traduits et seront affichés sur ottawa.ca d'ici le quatrième trimestre de 2008. Des liens pertinents vers les cadres de référence d'autres organismes seront aussi fournis sur le site Internet. Les études en cours d'élaboration, comme les lignes directrices sur l'hydrogéologie et les lignes directrices sur l'énoncé des impacts sur le patrimoine, seront publiées en ligne dès qu'elles auront été achevées et approuvées par le Conseil.

Le maintien à jour de la version en ligne des cadres de référence approuvés par la Ville ou adoptés par d'autres organismes et par le gouvernement provincial nécessitera l'octroi de ressources supplémentaires en personnel. Le coût de ces ressources est estimé à 70 000 \$ et l'affectation de la somme est conditionnelle à son approbation dans le budget de 2009. La présente recommandation est rattachée aux recommandations 17 et 18.

Recommandation 5

Que l'équipe de gestion de la Direction de l'approbation des demandes d'aménagement et d'infrastructure veille à mieux documenter les questions relatives aux échéanciers et aux mises en veilleuse.

Réponse de la direction

La direction est d'accord avec cette recommandation.

En 2007, les taux de compilation des données sur l'attribution des tâches du Municipal Applications Partnership (MAP) se sont améliorés, atteignant de 70 à 80 p. 100. Toute la formation liée au lancement, en avril, du projet visant la publication sur ottawa.ca de renseignements relatifs aux demandes d'aménagement a rehaussé l'importance de l'attribution périodique des tâches au moyen du PAM. L'équipe de gestion de la Direction de l'urbanisme continuera d'utiliser les rapports de gestion du PAM pour effectuer des examens périodiques. Le personnel actuel sera formé sur l'utilisation du PAM et les processus de mise en veilleuse, et une formation complète sera offerte aux nouveaux membres du personnel.

Recommandation 6

Que la Direction de l'approbation des demandes d'aménagement et d'infrastructure améliore le système ou les outils de TI pour faciliter le suivi des demandes par la Ville et le promoteur.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Plusieurs projets ont été cernés afin d'améliorer le système de soutien de TI pour le suivi des demandes. Urbanisme et STI travaillent actuellement à un projet (n° 2367) visant à rendre certains aspects des demandes d'aménagement qui nécessitent la consultation du public, notamment l'état de la demande, accessibles au public et aux promoteurs en les publiant sur ottawa.ca. Le lancement de ce projet est prévu pour le début d'avril 2008. Un autre projet (n° 1071) visant à publier sur ottawa.ca des renseignements plus détaillés à l'intention des promoteurs, notamment sur l'évolution de la demande, a été reporté jusqu'à l'achèvement du projet susmentionné. UTCE collaborera avec STI au quatrième trimestre de 2008 pour redémarrer le projet n° 1071, définir les exigences et établir un échéancier.

Le personnel d'Urbanisme et de Services et Travaux publics (STP) travaille également au projet n° 941, lequel porte sur les inspections et la décharge de garanties (v. la recommandation 7).

Recommandation 7

Que la Ville installe de toute urgence l'extension du logiciel d'application PAM pour gérer les activités d'inspection et surveiller le respect du calendrier établi, de manière à pouvoir faire respecter les conditions des 1 700 accords d'aménagement en vigueur.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Le projet n° 941 de STI, en cours d'élaboration, fournira des comptes rendus des activités d'inspection liées aux demandes d'aménagement aux fins de la gestion des garanties financières. Le projet, auquel participent UTCE, STP et STI, sera mis à l'essai au printemps 2008 et devrait être entièrement fonctionnel d'ici le quatrième trimestre de 2008.

Recommandation 8

Que la Ville établisse et fasse respecter de nouveaux délais ou objectifs de conformité relativement à l'éclairage de rue, aux trottoirs et aux parcs et qu'elle s'impose de tels délais et objectifs pour l'aménagement de parcs, comme elle le faisait lorsque les promoteurs étaient tenus d'aménager des parcs en vertu d'accords d'aménagement passés.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction collaborera avec tous les intervenants internes et externes pour établir et réaffirmer des délais et des objectifs de conformité en matière d'éclairage des rues et de trottoirs. Elle prévoira des mesures pour faire respecter les objectifs conjointement avec l'examen des accords types et conditionnels relatifs aux plans de lotissement ou

d'implantation, qui devrait être effectué au premier trimestre de 2009. Il est à noter qu'une surveillance étroite sera nécessaire à l'étape de l'inspection pour assurer la conformité.

Vu la corrélation entre les recommandations 8, 9 et 10 et le fait que celles-ci intéressent à la fois des intervenants internes et externes, UTCE travaillera à leur mise en œuvre simultanément.

Des délais et des objectifs de conformité pour l'aménagement des parcs ont été mis en vigueur dans tous les accords de lotissement signés depuis 2007. À l'heure actuelle, la Ville ne se charge pas de l'aménagement de tous les parcs. Certains accords de lotissement encore valables ont été signés avant que le Conseil ne décide en 2004 de confier à nouveau l'aménagement des parcs à l'administration municipale. La Ville reçoit encore des demandes d'« accord de financement anticipé » pour l'aménagement de parcs et les traite au cas par cas à la demande du promoteur et du conseiller compétent. Pour gérer de manière uniforme ces demandes d'accord de financement anticipé, la Direction des parcs et des loisirs est en train de préparer un rapport sur la politique qu'elle présentera au comité pertinent et au Conseil pour examen au troisième trimestre de 2008.

Recommandation 9

Que la Ville établisse pour les accords d'aménagement des objectifs qui, en matière de trottoirs, d'éclairage de rue et de parcs, devraient être respectés graduellement à l'intérieur d'un lotissement donné (par exemple, lorsque la moitié des lots sont vendus, tous les trottoirs des îlots comptant au moins cinq unités vendues doivent être installés dans un délai établi).

Réponse de la direction

La direction est d'accord avec cette recommandation en ce qui a trait à l'éclairage des rues et aux trottoirs.

La direction collaborera avec les intervenants internes et externes pour prévoir dans les accords d'aménagement, d'ici le premier trimestre de 2009, des objectifs qui devront être atteints graduellement en fonction de la progression des travaux de construction (et non de la vente des lots, comme il a été suggéré dans l'exemple). Les objectifs basés sur le nombre d'unités vendues posent problème puisque la construction se fait par étapes. En général, les trottoirs sont installés après que les bâtiments sont construits et que les terrains sont sommairement nivelés pour éviter qu'ils ne soient endommagés pendant l'exécution des travaux. Cette façon de faire permet également de s'assurer que le trottoir est aménagé à la bonne hauteur et d'éviter ainsi les problèmes de drainage. Par conséquent, le trottoir doit être installé lorsque le besoin s'en fait sentir, et non en fonction des ventes. De la sorte, la Ville n'a pas la responsabilité d'entretenir un trottoir dont personne n'a encore besoin.

L'éclairage des rues doit également se faire progressivement et de manière à concorder avec l'installation des autres services publics pour éviter les problèmes

avec le constructeur. Comme pour les trottoirs, l'installation des lampadaires ne doit pas être déterminée en fonction des ventes de maisons. Il serait toutefois possible de choisir un moment précis où un lampadaire doit être installé, notamment avant la délivrance d'un certain nombre de permis de construire ou avant l'arrivée des premiers occupants.

Vu la corrélation entre les recommandations 8, 9 et 10 et le fait que celles-ci intéressent à la fois des intervenants internes et externes, UTCE travaillera à leur mise en œuvre simultanément.

La direction n'est pas d'accord avec cette recommandation en ce qui concerne les parcs.

La politique de la Ville stipule qu'un déficit ne peut être engagé pour des services publics et récréatifs, tels que l'aménagement d'un parc (n° de réf. : ACS2006-CRS-FIN-0011). Or, 90 p. 100 des fonds nécessaires à l'aménagement d'un parc proviennent des redevances d'aménagement et 10 p. 100, de l'impôt foncier. Les redevances d'aménagement sont perçues au moment où est délivré le permis de construire. Par conséquent, les fonds requis pour l'aménagement d'un parc ne sont pas disponibles avant que le lotissement, ou du moins une phase de celui-ci, soit en grande partie achevé.

Recommandation 10

Que la Ville élabore et mette en œuvre, pour les accords d'aménagement, des ensembles distincts d'objectifs et de délais relatifs aux éléments d'agrément tels que les trottoirs, l'éclairage de rue, les parcs et le gazon, selon que le lotissement est de petite, de moyenne ou de grande superficie, de manière à éviter d'imposer une formule universelle arbitraire qui aurait pour effet d'appliquer un même ensemble d'objectifs à des lotissements divers présentant une réalité fort différente au chapitre de la viabilisation et de l'installation d'éléments d'agrément.

Réponse de la direction

La direction est d'accord avec cette recommandation en ce qui a trait à l'éclairage des rues et aux trottoirs.

UTCE collaborera avec les intervenants internes et externes pour élaborer et mettre en œuvre, pour les accords d'aménagement, des ensembles distincts d'objectifs et de délais relatifs aux éléments d'agrément tels que les trottoirs, l'éclairage de rue et le gazon, selon que le lotissement est de petite, de moyenne ou de grande superficie, et ce, d'ici le premier trimestre de 2009.

Vu la corrélation entre les recommandations 8, 9 et 10 et le fait que celles-ci intéressent à la fois des intervenants internes et externes, UTCE travaillera à leur mise en œuvre simultanément.

La direction n'est pas d'accord avec cette recommandation en ce qui concerne les parcs.

La politique de la Ville stipule qu'un déficit ne peut être engagé pour des services publics et récréatifs, tels que l'aménagement d'un parc (n° de réf. : ACS2006-CRS-FIN-0011). Or, 90 p. 100 des fonds nécessaires à l'aménagement d'un parc proviennent des redevances d'aménagement et 10 p. 100, de l'impôt foncier. Les redevances d'aménagement sont perçues au moment où est délivré le permis de construire. Par conséquent, les fonds requis pour l'aménagement d'un parc ne sont pas disponibles avant que le lotissement, ou du moins une phase de celui-ci, soit en grande partie achevé.

Recommandation 11

Que la Ville exige que le personnel de Services juridiques présente au Conseil une évaluation des « chances de réussite » pour chaque cas porté en appel auprès de la Commission des affaires municipales de l'Ontario (CAMO), afin de maintenir un taux de succès élevé aux audiences de la CAMO. Cette évaluation servira de contrôle de la qualité et permettra de s'assurer que les ressources financières consacrées à un cas donné sont dépensées judicieusement.

Réponse de la direction

La direction est d'accord avec cette recommandation pour les cas où le Conseil n'accepte pas les avis formulés par le personnel d'UTCE.

La vérification révèle que lorsque le Conseil fonde ses actions sur les avis exprimés par le personnel d'UTCE, le taux de réussite auprès de la CAMO, advenant l'interjection d'un appel, est très élevé. Exiger qu'un avis juridique soit présenté au Conseil pour chaque appel interjeté à la CAMO semblerait donc un gaspillage injustifié de ressources.

Toutefois, lorsque le Conseil n'accepte pas les avis d'UTCE ou lorsque la recommandation d'un comité semble jeter un doute sur l'acceptation de ceux-ci par le Conseil, un avis juridique sera pris quant au bien-fondé de l'appel.

Recommandation 12

Que le chef du bâtiment, dans l'exercice du pouvoir que lui confère la loi de délivrer des permis de construire conditionnels et de réaliser les inspections requises par la loi, ait pour principe de ne pas délivrer de permis de construire avant que le lot ait été créé et enregistré conformément à la loi.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La politique et les procédures actuelles seront réexaminées au premier trimestre de 2009, dès l'achèvement de l'examen et de la révision de la politique d'ententes de viabilisation anticipée (v. la recommandation 23), et modifiées au besoin.

Recommandation 13

Que le chef du bâtiment et la Direction des services juridiques fassent suite à la vérification conjointement en démontrant que la Ville s'était acquittée des obligations d'examiner la réglementation de zonage imposées par l'article 34 de la *Loi sur l'aménagement du territoire* au moment de délivrer les permis conditionnels qu'elle a octroyés (conformément aux ententes de viabilisation anticipée) en vertu de la *Loi sur le code du bâtiment* de l'Ontario.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La politique et les procédures actuelles seront réexaminées au premier trimestre de 2009, dès l'achèvement de l'examen et de la révision de la politique d'ententes de viabilisation anticipée (v. la recommandation 23), et modifiées au besoin.

EFFICACITÉ DU PROCESSUS

Recommandation 14

Que la Ville prenne en considération l'incidence de l'emplacement géographique du personnel clé dans la création d'une équipe « guichet unique » pour le PED A. Pour que le « guichet unique » soit efficace, il pourrait falloir éliminer les barrières géographiques qui nuisent au partage opportun des tâches et à la transmission des données pour l'ensemble des dossiers de la Ville relatifs au PED A.

Réponse de la direction

La direction est d'accord avec cette recommandation.

UTCE déduit que le « guichet unique » auquel renvoie la présente recommandation ne s'applique pas seulement à la réception des demandes, comme il en était question à la recommandation 3, mais implique le rassemblement de tout le personnel chargé du PED A en un même emplacement. UTCE croit également comprendre que la recommandation 25 a une incidence sur la présente recommandation.

Selon le modèle de prestation de services qui sera choisi pour le PED A, des coûts seront associés à la mise en place du « guichet unique ». Ces coûts pourraient être peu élevés si l'on réussit à installer le personnel dans les espaces de travail dont on dispose actuellement, mais pourraient être élevés s'il faut louer d'autres locaux ou effectuer des rénovations afin d'avoir tout le personnel à un même emplacement. Une analyse détaillée devra être réalisée en 2008 en vue de la concrétisation de la recommandation en 2009, sous réserve de l'allocation des fonds nécessaires dans le budget de 2009.

Recommandation 15

Que la Direction de l'approbation des demandes d'aménagement et d'infrastructure désigne clairement un urbaniste en chef (chef de projet) pour chaque dossier du PED A.

Réponse de la direction

La direction est d'accord avec cette recommandation.

UTCE veillera à ce que les rôles et les responsabilités de l'urbaniste en chef (ou chef de projet) soient clairement définis et compris, tant à l'interne qu'à l'externe.

Recommandation 16

Que la Direction de l'approbation des demandes d'aménagement et d'infrastructure prenne les mesures voulues pour qu'à tout le moins les chefs de projet du PED A reçoivent en 2008 une formation en gestion de projet et en logistique. Cette formation renforcera la capacité du personnel à gérer le processus et à régler les conflits. Idéalement tous les membres clés de l'équipe chargée du PED A devraient recevoir la formation en 2008.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Même si des procédures sont en place pour souligner les diverses étapes du processus d'examen et d'approbation des demandes d'aménagement, UTCE appuie l'offre d'une formation en gestion de projet et en logistique à tout le personnel qui gère les dossiers du PED A. Des fonds supplémentaires estimés à 120 000 \$ seront nécessaires pour offrir cette formation, qui prendra la forme d'une séance de groupe.

UTCE consultera STI sur la possibilité d'acheter ou de créer un logiciel avancé de gestion de projet. Une estimation des coûts et du délai nécessaire sera effectuée à la suite de la consultation, d'ici le quatrième trimestre de 2008.

Recommandation 17

Que la Direction de l'approbation des demandes d'aménagement et d'infrastructure développe les commentaires et les conseils qu'elle fournit durant processus de consultation préalable en se servant d'une liste de vérification ou d'un formulaire détaillé.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction s'affaire actuellement à préparer des lignes directrices et des documents connexes pour la consultation préalable, dont une liste de vérification ou un formulaire détaillé. UTCE consultera SCIP et STI en vue de publier cette information sur ottawa.ca. L'achèvement de ce projet est prévu pour le quatrième trimestre de 2008. Les lignes directrices pour la consultation préalable sont rattachées aux recommandations 4 et 18.

Recommandation 18

Que la Direction de l'approbation des demandes d'aménagement et d'infrastructure publie son Manuel sur l'aménagement, en le diffusant en version électronique sur le

site Internet de la Ville et en offrant des exemplaires imprimés en vente aux centres du service à la clientèle. Si des parties du manuel ne peuvent être publiées en raison de certains critères émanant d'autres organismes, une version du manuel comprenant uniquement les critères de la Ville devrait être publiée immédiatement, suivie, à une date ultérieure préétablie, d'une version intégrale comprenant les critères des autres organismes.

Réponse de la direction

La direction est d'accord avec cette recommandation.

UTCE convient que si la matrice des études et des évaluations requises est mise à la disposition de tous les promoteurs potentiels, ceux-ci connaîtront les attentes de la Ville dès le départ. UTCE consultera SCIP et STI pour faire en sorte que ces documents soient mis en évidence sur ottawa.ca.

Vu l'actualisation fréquente de ces documents et la nécessité de tenir à jour les renseignements publiés sur ottawa.ca, l'application de la recommandation mobilisera des ressources supplémentaires en personnel. Ces ressources sont estimées à 70 000 \$ et sont soumises à approbation dans le budget de 2009. La présente recommandation est rattachée aux recommandations 4 et 17.

Recommandation 19

Que la Direction de l'approbation des demandes d'aménagement et d'infrastructure établisse, par le biais des dispositions de la *Loi sur l'aménagement du territoire*, des exigences en vue d'imposer une consultation préalable.

Réponse de la direction

La direction est d'accord en théorie avec cette recommandation.

L'instauration d'une consultation préalable obligatoire nécessite une modification du Plan officiel. UTCE étudiera le concept de consultation préalable obligatoire dans le cadre de la révision du Plan officiel et présentera ses recommandations à cet égard au comité et au Conseil au quatrième trimestre de 2008.

Recommandation 20

Que le personnel de la Ville tienne avec Hydro Ottawa un atelier sur le PEDA afin de trouver des solutions qui permettraient de réduire le délai nécessaire au traitement des demandes et de cerner les possibilités de rationaliser le processus.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Une consultation avec Hydro Ottawa, Hydro One et l'industrie des promoteurs immobiliers fait partie du plan de travail de 2008 d'UTCE. Les délais de traitement des demandes d'aménagement et les possibilités de rationaliser le processus seront

étudiés à l'occasion de cet échange. La consultation et toute modification qui s'ensuivra devraient être réalisées d'ici le quatrième trimestre de 2008.

Recommandation 21

Que la Direction de l'approbation des demandes d'aménagement et d'infrastructure laisse savoir aux clients, dans la lettre les avisant que leur demande est jugée complète, le nom du chef de projet qui sera chargé de leur dossier tout au long du PEDDA.

Réponse de la direction

La direction est d'accord avec cette recommandation.

UTCE a déjà un processus en place pour communiquer aux clients le nom de l'urbaniste affecté à leur dossier. Les protocoles existants seront révisés d'ici le deuxième trimestre de 2008 afin qu'une copie de la lettre envoyée au client soit versée à son dossier.

Recommandation 22

Que la Direction de l'approbation des demandes d'aménagement et d'infrastructure et la Direction des services juridiques réexaminent le Règlement municipal sur la réglementation des plans d'implantation et envisagent, si cela s'avère approprié, de le modifier afin de soustraire à la réglementation du plan d'implantation les cas de transformation de la propriété en restaurant.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Urbanisme et Services juridiques examineront le Règlement municipal sur la réglementation des plans d'implantation et envisageront de le modifier afin de soustraire à la réglementation du plan d'implantation les cas de transformation de la propriété en restaurant. Le cas échéant, ils présenteront un rapport au comité et au Conseil d'ici le quatrième trimestre de 2008 afin de modifier le règlement.

Recommandation 23

Que la Ville restructure sa politique d'ententes de viabilisation anticipée tel qu'il est indiqué dans le rapport de vérification afin d'atténuer les risques financiers tout en permettant des économies de temps conformes à la loi.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Un examen du processus d'ententes de viabilisation anticipée sera entrepris avec tous les intervenants internes et externes au moment où seront étudiés les accords et les conditions d'aménagement types pour les lotissements (v. les recommandations 8, 9 et 10). Toute modification résultant de cet exercice sera soumise à l'examen du comité et du Conseil au premier trimestre de 2009.

Recommandation 24

Que la Ville assure le suivi périodique du travail effectué par le personnel pour le traitement d'un échantillon de demandes représentant les six catégories de l'analyse comparative. Les tendances ainsi observées devraient être consignées au fil du temps, et des comparaisons être établies avec des municipalités analogues. Ces données sur l'efficacité en matière de traitement des demandes devraient être intégrées à un système de fiche d'évaluation équilibré du PEDA (à titre de mesure du rendement fondée sur les résultats) et utilisées pour établir des objectifs de rendement dans le plan d'activités relatif au PEDA. Le système de fiche d'évaluation équilibré et le plan d'activités devraient également mentionner les délais de traitement des demandes présentées aux termes de la *Loi sur l'aménagement du territoire* et les points sur lesquels portera l'inspection réalisée pour assurer la conformité des accords d'aménagement.

Réponse de la direction

La direction est d'accord avec cette recommandation.

UTCE consultera STI pour créer et instaurer un système de suivi périodique du travail effectué par le personnel pour traiter les demandes, système qui portera sur toutes les composantes principales du PEDA. Un calendrier de mise en œuvre sera établi après la consultation avec STI. UTCE collaborera avec les intervenants internes pour intégrer ces données sur l'efficacité en matière de traitement des demandes, ainsi que les délais de traitement des demandes présentées aux termes de la *Loi sur l'aménagement du territoire* et le taux d'observation des dispositions des accords d'aménagement en matière d'inspection, à un outil de mesure du rendement fondé sur les résultats qui servira à établir des objectifs de rendement pour le plan d'activités relatif au PEDA.

Il convient de faire remarquer qu'au cours de son examen factuel du rapport de vérification, le service a signalé au vérificateur que le tableau intitulé « Ottawa Capacity Analysis » (analyse de la capacité d'Ottawa) contenait des erreurs. En effet, le tableau ne reconnaît pas le travail effectué par le personnel de STP pour le traitement des demandes nécessitant une modification de zonage importante ou la modification du zonage d'un terrain intercalaire. Le personnel de STP réalise pour ces types de demandes une étude de la capacité afin de déterminer si le réseau d'infrastructures existant peut répondre aux besoins associés au zonage proposé. La direction estime que le tableau devrait tenir compte de tels travaux.

Recommandation 25

Que des équipes de personnel interdisciplinaires soient créées pour gérer les demandes d'aménagement « du berceau au tombeau » et veiller à ce que les exigences de la *Loi sur l'aménagement du territoire* et les conditions de l'accord d'aménagement (notamment en matière de viabilisation et d'installation des éléments d'agrément) soient respectés aux différentes étapes de l'aménagement.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction créera, d'ici le quatrième trimestre de 2008, des équipes de personnel interdisciplinaires qui seront chargées de gérer les demandes d'aménagement du début à la fin du processus.

Conclusion

Le PEDA est un service essentiel de l'administration principale qui s'inscrit dans la mission fondamentale de la Ville. Il s'agit de par sa nature d'un service horizontal requérant la participation de nombreuses unités de travail dispersées et de centaines de fonctionnaires municipaux. Il fait intervenir un mélange complexe de logistique et d'outils de technologie de l'information et pose à la Ville des défis en matière de reddition de comptes.

La vérification a permis de cerner un nombre considérable de possibilités d'améliorer la prestation de ce service, notamment les suivantes :

- Il est possible d'améliorer le rendement du PEDA au chapitre du recouvrement des coûts afin d'éliminer le besoin actuel de consacrer au financement du processus au moins 4,3 millions de dollars de taxes foncières.
- Les délais de traitement des demandes, qui actuellement ne répondent pas à la norme, peuvent être abrégés par rationalisation du processus de prestation de ce service et la création d'un modèle organisationnel à guichet unique pour le PEDA. Ce modèle centralisé reposera sur des équipes interdisciplinaires dirigées par un chef de projet investi de pouvoirs et tenu de rendre des comptes.
- Il est possible de résoudre efficacement les questions de conformité aux lois et de gestion des risques financiers en restructurant la politique d'ententes de viabilisation anticipée de la Ville, et ce, sans sacrifier les économies de temps appropriées.
- L'adoption recommandée d'une analyse comparative, de mesures du rendement et de trousse de planification des activités axée sur la réalisation d'objectifs améliorera la reddition de comptes et le rendement. Ces mesures permettront également de documenter les points forts de la prestation de ce service.

La vérification a permis de conclure que dans l'ensemble, le rendement du PEDA n'est pas optimal. Les raisons qui expliquent cette situation sont nombreuses et fort variées : nous avons donc tenté de documenter les problèmes et les causes sous-jacentes en nous appuyant sur des preuves. Bien que le PEDA n'ait pas un rendement optimal en tant que système, de nombreux participants au sein de ce système ont un rendement acceptable. La mise en œuvre de nos recommandations dans les délais prescrits pourrait favoriser la « gestion du changement » à partir d'un modèle fondé sur les pratiques exemplaires qui soit plus souple, plus responsable et davantage axé sur les résultats.

Remerciements

Nous tenons à remercier la direction de sa bienveillante collaboration et de l'aide qu'elle a apportée à l'équipe de vérification.

1 BACKGROUND

The Audit of the Development Review Process was included as part of the 2007 Audit Plan of the Office of the Auditor General, first presented to Council in December 2004.

2 INTRODUCTION

The Development Review Process (DRP) is a core municipal service delivered by the City of Ottawa. The DRP regulates the development of land, the assumption of municipal infrastructure from developers, and the construction process of residential and non-residential buildings. The execution of the DRP by the City must have due regard for the statutory requirements of the Planning Act, the Building Code Act, and the Municipal Act.

The Development Review Process is best understood by considering the following three components:

1. “Front-end” DRP defined by the various Planning Act application reviews and approvals required to establish a viable land-use regulatory regime. Examples include re-zonings, subdivision approval, and site plan approval.
2. “Back-end” DRP defined by the various Building Code Act application reviews and inspections required by the Building Code Act required to establish a viable regulatory regime for construction.
3. “Engineering” DRP focussing on infrastructure quality assurance and assumption by the City. The provisions for assumption are typically defined in development agreements with Planning Act applicants.

The Development Review Process is a horizontal process that involves multiple City business units. Many of these business units also have other operational responsibilities outside the DRP. Given this reality, there is no DRP budget appearing in the City budget documents, nor is there a DRP accounting structure defining ongoing financial reporting. DRP is a horizontal core City service that operates outside the traditional vertical financial management framework of a municipal government. This reality has significantly influenced the execution of this audit.

The following City business units are regular participants in the DRP:

- Planning Branch;
- Transit Services Branch;
- Economic and Environmental Sustainability Branch Environmental Policy Division;
- Community and Protective Services - Parks and Recreation Branch - Planning and Development Unit;

- Legal Services;
- Public Works and Services – Infrastructure Services Branch - Construction Services - Development Division;
- Public Works and Services – Traffic and Parking Operations Branch; and,
- Public Works and Services– Infrastructure Services Branch – Infrastructure Management Division.

Located within these business units, more than two hundred City staff members regularly participate in the DRP.

Since amalgamation DRP activity and workload has been ongoing and intense. The following information is useful in terms of understanding the scope of work being executed.

- During 2002-06 an average of 800 annual Planning Act applications of varying size and complexity were received and considered for approval; and,
- Currently there are approximately 1,700 active development agreements that set out the infrastructure servicing/engineering requirements of applicants/developers that are monitored for compliance by the City.

DRP Planning applications will continue to feature a mix of “green field” and “infill” applications featuring a diverse mix of technical and policy challenges. The intensity of DRP activity is expected to remain significant for the foreseeable future.

DRP Planning Act application approvals are generated through a mix of complex processes that may be delegated to staff or require explicit Council approvals.

3 AUDIT OBJECTIVES AND APPROACH

3.1 Overview of Scope and Objectives

In terms of scope, the 2007 Audit Plan for DRP focussed on the following:

- The Planning Act “front-end” of DRP;
- Infrastructure/amenities inspection activities associated with development agreement compliance and the engineering “middle” component of DRP; and,
- Appropriate timing/positioning of “back-end” building permit issuance vis-à-vis the rest of the DRP service channel. The core operational performance of the Ontario Building Code Act (OBCA) component of DRP (outside of broader timing/positioning issues) was audited in 2006.

The 2007 Audit Plan for DRP sets out five key objectives as follows:

1. Assess compliance of DRP with Planning Act legislative provisions and City policies/by-laws;
2. Assess existing business process performance and identify/recommend process improvement opportunities and results management toolkits;
3. Assess adequacy (i.e., processing capacity) of current City staff resources deployed to execute DRP Planning Act applications, including analysis using municipal peer benchmarking database of DRP processing effort;
4. Evaluate City's current organizational structure/staffing model used to process DRP applications, in order to ensure optimal service delivery performance and organizational design; and,
5. Assess City's current DRP cost recovery performance and fee structure design from fiscal and OMB compliance perspectives.

The analyses and conclusions contained in the audit are also based on the following series of sample files:

- 10 Planning Act application "file bundles" representing commonly required development industry approvals;
- 10 "small applicant" Planning Act sample files;
- 17 development agreement sample files;
- A 300 unit database download of building permit applications; and,
- 15 Councillor identified applications of concern (non-random sample).

4 OBSERVATIONS AND RECOMMENDATIONS

For purposes of clarity in reporting, audit observations and recommendations are grouped into "themes" centred on financial performance, compliance performance, and service delivery efficiency/effectiveness. These three reporting themes encompass all five of the objectives set out in the Audit Plan.

4.1 Audit Objective Theme: Financial Management Performance

From a DRP financial performance perspective, the audit examined two critical issues:

- The cost recovery performance of the DRP fees schedules, and any subsequent adverse impact on City property taxes; and,
- The design/structure of DRP fee schedules and any associated risk of "fairness" based appeal to the OMB.

4.1.1 DRP Cost Recovery Performance

Currently, the City does not utilize DRP friendly accounting structures, activity based costing fees modeling, or development application time/effort docketing to derive or manage application category specific costs (i.e., subdivision application processing costs versus site plan application processing costs versus re-zoning application processing costs). As a result the City's existing Planning Act fee structures are not based on true processing costs.

Section 69 of the Planning Act prohibits Planning Act fee structures from cross-subsidizing each other across application categories (i.e., collecting surplus revenues in one application category in order to compensate for under-recovery in another category). The City does not currently utilize cost based fees calculation modeling to determine compliance with this Section 69 requirement.

Recent amendments to the Building Code Act have segregated building permit revenues from the rest of the DRP service channel in Ontario municipalities. Any existing/ongoing building permit surpluses are no longer available to shelter under recovering Planning Act fee structures. Instead these Building Code Act surpluses must be reduced or allocated to a Building Code Act stabilization reserve fund. As a result, many Ontario growth municipalities have reviewed Planning Act fee structures in order to recover a significantly greater portion of application processing costs, indirect support costs and non-growth capital (e.g., facility) costs.

The following table summarizes global Planning Act fee structure cost recovery performance in a sample of Ontario growth municipalities. Since amendments to the Building Code Act in 2006, aggressive cost recovery has become the norm in Ontario growth municipalities. Prior to OBCA Section 7 amendments, Planning Act fees cost recovery performance, in this sample of municipalities, fell into the 25%-33% range.

Table 1 - Global Planning Act Fee Structure - Cost Recovery Performance

MUNICIPALITY	% OF MODELED PROCESSING COSTS RECOVERED IN ABC FEES STRUCTURE	MUNICIPALITY	% OF MODELED PROCESSING COSTS RECOVERED IN ABC FEES STRUCTURE
BRAMPTON	100%	MISSISSAUGA	100%- COUNCIL DECISION PENDING
BURLINGTON	85%	MILTON	100%
TORONTO	100% - COUNCIL DECISION PENDING	RICHMOND HILL	100%
WHITBY	85%	PICKERING	80%
NEWMARKET	85%	VAUGHAN	100%

Our financial analysis of current DRP cost recovery performance has been undertaken in collaboration with staff in the Planning and Infrastructure Approvals Branch. The following table summarizes the cost recovery performance of the Branch. The analysis

documents a significant \$4.3 million under-recovery of Branch expenditures. The 48% cost recovery rate for just the Planning Division (not including processing effort/costs associated with other City branches/divisions) is well below the growth municipality performance noted in Table 1 above – for all participating business units in those municipalities. The City-wide under-recovery of DRP costs will significantly exceed the Branch under-recovery of \$4.3 million.

Table 2 - Cost Recovery Performance - Planning and Infrastructure Approvals Branch

PLANNING AND INFRASTRUCTURE APPROVALS BRANCH	2006 EXPENDITURES	2006 FEE REVENUES	UNDER-RECOVERY (PROPERTY TAX SUBSIDY)	FEE COST RECOVERY PERFORMANCE: % OF BRANCH ANNUAL EXPENDITURES RECOVERED IN ABC FEES STRUCTURE
PLANNING REVIEW DIVISION	\$6.8 MILLION	\$3.3 MILLION	\$3.5 MILLION	48% OF DIVISION EXPENDITURES RECOVERED
INFRASTRUCTURES APPROVALS DIVISION	\$2.9 MILLION	\$2.1 MILLION (ENG. DESIGN AND INSPECTION FEES)	\$0.8 MILLION	72% OF DIVISION EXPENDITURES RECOVERED
BRANCH TOTAL	\$9.6 MILLION	\$5.3 MILLION	\$4.3 MILLION	55% OF BRANCH EXPENDITURES RECOVERED

The systemic under-recovery of City DRP related costs is a function of a number of factors:

- DRP costs usually are not quantified in municipal accounting systems where costs are grouped according to organization structure rather than work processes/activities. Therefore the degree of cost under-recovery is not immediately clear;
- Existing DRP fee structures may have been designed with economic development imperatives in mind (as opposed to cost recovery performance);
- The absence of an activity based costing DRP fees calculation model detracts from the ability of the City to monitor fee schedule cost recovery performance;
- Prior to Bill 124, allocation of building permit revenue surpluses to the “bottom-line” may have blunted the fiscal impact of under-recovering DRP Planning fees.

Currently, City property taxes (from existing development) are providing a significant and ongoing subsidy to the processing of new development applications within DRP. This tax subsidy cannot be precisely calculated in the absence of an activity based costing fees calculation model that accounts for costs across multiple City business units. However our current analysis suggests the City-wide DRP property tax subsidy will significantly exceed \$4.3 million annually.

From a risk perspective, the current under-recovery of DRP costs may represent an avoidable property tax burden. This tax room could be re-deployed to meet other City priorities if City DRP cost recovery performance approached that of the Ontario growth municipality peer sample.

Recommendation 1

That the City execute a comprehensive review of DRP fees (during 2008) to achieve full cost recovery fee structures for the 2009 budget year;

Management Response

Management agrees with this recommendation.

PTE will engage a consultant to undertake a comprehensive review of development review process (DRP) fees at an estimated cost of \$100,000, subject to budget approval in the 2009 budget. With the inclusion of compliance issues associated with Planning Act Section 69 (see recommendation 2) in the comprehensive review of DRP fees, a level of effort analysis will be required from the various business units involved in the DRP, for each type of application. This analysis will be undertaken during 2009 for implementation of the full cost recovery structure for the 2010 budget year.

It should be noted, that the figures quoted in the cost-recovery analysis table on page 5 of the report are incorrect. Additional Planning branch revenues attributable to the DRP, and for which expenses are included in Planning branch expenditures, have not been recognized. As a result, management believes the table should be revised.

Since 2006, steps have been taken to improve the cost recovery rate of the Planning branch. In the 2007 and 2008 budget discussions, Council approved fee increases for planning applications. A subsequent increase to raise an additional \$1.3 million in planning fees is scheduled for implementation on April 1, 2008.

4.1.2 Fee Structure Design

Bill 124 amendments to the Building Code Act, effective in 2006 have eliminated the cross-subsidization of Planning Act application processing costs via building permit surplus revenues. As a result, Planning Act fees have been increased substantially in numerous Ontario jurisdictions in order to improve historically low cost recovery rates (typically 25%-33% of true modeled costs).

Planning Act fees have come under increased scrutiny by Ontario development community stakeholders. The first OMB decision dealing with post-Bill 124 Planning Act fees has now been delivered (Spectrum Housing versus City of Brampton). Planning fee rate structures have been highlighted in the Spectrum case as a potential source of future OMB fees challenges. The City's Planning Act fee structures have been reviewed from this public reputation and fiscal risk perspective.

A survey of Ontario growth municipality fee design/structures has been undertaken. Highlights of this fee structure survey appear in the following three tables (Re-zoning, Site Plan, Subdivision). The peer municipal comparisons appear in three tables set out below, and the conclusions are as follows:

- Major re-zonings... in the majority of the peer sample rate structures reflect a common approach...a base fee plus a per unit or per area escalator ...exceptions are Markham and Ottawa;
- Site plan...entire peer sample reflects a common approach...a base fee plus a per unit or per area escalator...some escalators capped while others uncapped...exception is Ottawa with only a single base fee for all residential/ICI site plans and no escalators of any sort;
- Subdivision...entire peer sample reflects a common approach...a base fee plus a per unit escalator...exception is Ottawa with a tiered based fee (unit size groupings) but no per unit escalator.

Table 3 - Municipality Fee Structure Benchmarking - Major Rezoning

MUNICIPALITY FEE STRUCTURE BENCHMARKING - MAJOR REZONING	ONLY BASE FEE STRUCTURE (NO ESCALATORS)	PER UNIT ESCALATOR FOR RESIDENTIAL REZONINGS	PER UNIT OF SITE AREA ESCALATOR FOR RESIDENTIAL REZONINGS	PER UNIT OF SITE AREA ESCALATOR FOR ICI REZONINGS
TORONTO			BASE FEE PLUS PER SQUARE METRE > 500METRES	BASE FEE PLUS PER SQUARE METRE > 500METRES
MISSISSAUGA		BASE FEE PLUS PER UNIT FOR DETACHED, SEMI, TOWNHOUSE	BASE FEE PLUS PER SQUARE METRE > 500 METRES FOR APARTMENTS	BASE FEE PLUS PER SQUARE METRE > 500 METRES (COMMERCIAL) BASE FEE PLUS PER GROSS HECTARE...CAPPED \$ VALUE (INDUSTRIAL)
BRAMPTON		BASE FEE PLUS PER UNIT		BASE FEE PLUS PER HECTARE
VAUGHAN		BASE FEE PLUS PER UNIT FOR DETACHED, SEMI, TOWNHOUSE BASE FEE PLUS PER UNIT FOR APARTMENT		BASE FEE PLUS PER HECTARE
MARKHAM	SAME BASE FEE FOR ALL CATEGORIES			
OTTAWA	SAME BASE FEE FOR ALL RES/ICI CATEGORIES			

Table 4 - Municipality Fee Structure Benchmarking - Site Plan

MUNICIPALITY FEE STRUCTURE BENCHMARKING - SITE PLAN	ONLY BASE FEE STRUCTURE (NO ESCALATORS)	PER UNIT ESCALATOR FOR RESIDENTIAL SITE PLANS	PER UNIT OF SITE AREA ESCALATOR FOR RESIDENTIAL SITE PLANS	PER UNIT OF SITE AREA ESCALATOR FOR ICI SITE PLANS
TORONTO			BASE FEE PLUS PER SQUARE METRE > 500METRES	BASE FEE PLUS PER SQUARE METRE > 500METRES
MISSISSAUGA		BASE FEE PLUS PER UNIT FOR DETACHED, SEMI, TOWNHOUSE	BASE FEE PLUS PER SQUARE METRE > 500 METRES FOR APARTMENTS	BASE FEE PLUS PER SQUARE METRE > 500 METRES (COMMERCIAL AND INDUSTRIAL)...INDUSTRIAL CAPPED \$ VALUE
BRAMPTON		BASE FEE PLUS PER APARTMENT UNIT BASE FEE PLUS PER UNIT OTHER		BASE FEE PLUS PER SQUARE METRE...NO CAP
VAUGHAN		BASE FEE PLUS PER UNIT FOR DETACHED, SEMI, TOWNHOUSE BASE FEE PLUS PER UNIT FOR APARTMENT		BASE FEE PLUS PER SQUARE METRE...REDUCED RATE BEYOND SIZE THRESHOLD...OVERALL FEE CAPPED
MARKHAM		NO BASE FEE PER UNIT SINGLE, SEMI (LESS THAN 10 UNITS) PER UNIT SINGLE, SEMI (MORE THAN 10 UNITS) PER UNIT APARTMENT		BASE FEE PLUS PER SQUARE METRE...NO CAP
OTTAWA	SAME BASE FEE FOR ALL RES/ICI CATEGORIES			

Table 5 - Municipality Fee Structure Benchmarking - Residential Subdivision

MUNICIPALITY FEE STRUCTURE BENCHMARKING - RESIDENTIAL SUBDIVISION	ONLY BASE FEE STRUCTURE (NO ESCALATORS)	PER UNIT/LOT ESCALATOR FOR RESIDENTIAL SUBDIVISIONS	PER UNIT OF SITE AREA ESCALATOR FOR RESIDENTIAL SUBDIVISIONS
TORONTO		BASE FEE PLUS PER LOT ESCALATOR	
MISSISSAUGA		BASE FEE PLUS PER UNIT FOR DETACHED, SEMI, TOWNHOUSE	BASE FEE PLUS PER SQUARE METRE > 500 METRES FOR APARTMENTS
BRAMPTON		BASE FEE PLUS PER UNIT	
VAUGHAN		BASE FEE PLUS PER UNIT FOR DETACHED, SEMI, TOWNHOUSE BASE FEE PLUS PER UNIT FOR APARTMENT	
MARKHAM		BASE FEE PLUS PER UNIT (10 UNITS OR LESS)	BASE FEE PLUS PER HECTARE (ALL OTHERS)
OTTAWA	VARIOUS BASE FEES AT APPLICATION AND DRAFT PLAN STAGES (TIERED BY 3 DISTINCT UNIT COUNT THRESHOLDS) BUT NO PER UNIT ESCALATORS		

Section 69 of the Planning Act does not contain any prescriptive direction re. application fee structure and design. Because Ottawa is geographically removed from the peer group of large Ontario growth municipalities, there has been no “market discipline” driving evolution/emulation around fee structures – thus Ottawa’s current status as a fee design outlier in the survey. The rates within the categories must be properly costed to be Section 69 compliant to prevent any cross-subsidization.

This outlier status in the peer comparison may represent a source of future risk for Ottawa from an OMB fees appeal perspective. The OMB seems to be emphasizing a new/evolving new planning fee structure reasonableness test...simply re-costing various application processing efforts and fitting the resulting cost recovery amounts into an existing fee structure seems to have been deemed insufficient in the Spectrum case. Compliance with Section 69 may now involve a two-step test: 1) costing reasonableness; and, 2) fee structure design reasonableness. The rates within the categories must be properly costed to be Section 69 compliant to prevent any cross-subsidization.

Recommendation 2

That the comprehensive review of DRP fees should also address compliance issues associated with Planning Act Section 69 fee rate structure design (in order to reduce OMB challenge risk).

Management Response

Management agrees with this recommendation.

This work will be undertaken during 2009, for implementation of the full cost recovery structure for the 2010 budget year (see recommendation 1).

4.2 Audit Objective Theme: DRP Compliance Performance

4.2.1 Turnaround Time for Processing of Applications

4.2.1.1 Turnaround Time – Planning Act Time Period Before Right of Appeal

The Planning Act of Ontario establishes timelines after which an applicant has the right to appeal the application to the Ontario Municipal Board due to a non-decision by the municipality; however, the Planning Act does not establish mandatory turnaround times for the processing of development applications¹. The timelines in the Planning Act upon which the right of appeal becomes available to an applicant vary depending on the nature of the development application. Many of the timelines were extended by

¹ Except for the new requirement to issue a notice of application completeness within 30 days (for certain types of planning applications).

the recent amendment to the Planning Act (Strong Communities [Planning Amendment] Act, 2004).

With respect to the Provincial timelines -- especially in major urban centres in Ontario and even given recent changes to the timelines in the Planning Act -- there remains much debate about the timeliness of development application processing. Historically, development proponents generally believe that City Hall is responsible for delays in issuing timely approvals; conversely, municipal planning departments generally suggest that factors such as poor quality applications and public opposition to development are some of the reasons for extended approval timelines.

In order to understand the processing business days of the City, we recorded the dates of all correspondence and activities documented in the audit files. We next considered the net number of working days that materials were under the control of the City during DRP (e.g., where additional information was requested, received and reviewed in a 45 working day period but the applicant took 28 working days to provide the information, the City's net processing time would be 17 working days). The total turnaround times were then compared against the Planning Act appeal period timelines.

We recognize that the Planning Act's timelines do not differentiate between calendar days and the City's net processing time. However, recent changes to the Planning Act allow municipalities to establish a greater degree of standard for the quality of application packages which is intended to reduce delays in processing applications because of insufficient or poor quality information at the outset. Since the City has yet to fully implement these new powers in the Planning Act, we believe that if this audit is intended to be a useful tool for continuous improvement, then the measure of timeliness which must be emphasized is net processing time not calendar days.

The review of a sample of 10 files was treated as a bundle of various development applications. The turnaround timeliness of each application in the bundle was considered and a general statement of timeliness has been provided for each bundle.

Based on the previously described methodology, the following is a summary chart of observations on turnaround times.

Table 6 – Observations on Turnaround Times

Overall DRP Timeline	Audit File Bundles										Performance
	1	2	3	4	5	6	7	8	9	10	
Decision issued by City before right of Appeal (calendar days)	No(1)	No	No	Yes	No	No(1)	No	No(1)	Yes	No	25% (excl. appeals)
Decision issued by City before right of Appeal (net City working days)	No(1)	No	No	Yes	No	No(1)	No	No(1)	Yes	No	25% on-time (excl. appeals)
Compliance with Planning Procedure Manual timeline	No(1)	Yes	No	Yes	No	No(1)	No	No(1)	Yes	Yes	57% on-time (excl. appeals)
Appealed to the Board on the grounds of lack of decision (i.e., timing)?	Yes	No	No	No	No	Yes	No	No	No	No	20%(2) appealed due to timing
Notes: (1) appealed to the OMB (2) 2 of the 10 bundles included appeals due to timing; however if considered separately, 5 of the 23 individual applications (22%) included appeals due to timing											

We have observed that the timing of DRP process in the City regularly extends beyond the time period by which a proponent may appeal the application to the OMB on the grounds of non-decision (i.e., timing). However, only two of the bundles (or 5 of the 23 applications audited) were appealed on the grounds of lack of decision although the appeals also involved other matters (building height, servicing adequacy).

4.2.1.2 Turnaround Time Compliance – City’s Procedure Manual

The City of Ottawa also has a procedure manual for the processing of development applications. The manual identifies timelines for the sequence of individual activities involved in processing all development applications.

Some activities and their related turnaround times are entirely within the control of the City of Ottawa, for example, deeming an application to be complete. It should be recognized, however, that these activities are usually at the initial stage of the development review process (e.g., deeming complete) or towards the end of the process (e.g., preparation of agreement). The group of activities in the “middle” of the process (receipt of comments from circulation, waiting for resubmission, and additional consultation beyond statutory requirements) have traditionally been the activities where all municipalities, including Ottawa, experience challenges with timeliness. Therefore, conclusions regarding turnaround time compliance for the “middle” stage of development review are mirrored in the observations provided earlier for the Planning Act time frames. Specific observations and conclusions regarding the initial in-take / processing stages and final processing stages are provided below.

It should be noted that the methodology for assessing the time durations and determining the performance of the City’s Planning Branch follows the approach described previously for the Planning Act time frames.

Table 7 – Observations on Turnaround Times – Activities Under City’s Control

DRP Activities under Full Control of City	Audit File Bundles										Performance	
	1	2	3	4	5	6	7	8	9	10		
In-take & planner assigned on-time?	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90% on-time
File circulated on-time?	Yes	Yes	Yes	Yes	No(1)	No(1)	Yes	Yes	Yes	No	No	87% on-time (excl. issues)
Decision (delegated) made on-time?	No(2)	No	Yes	Yes	Yes	No(2)	No	Yes(2)	Yes	No	No	63% on-time (excl. appeals)
Final notices and/or dev’t agreement prepared on-time?	No	No	Yes	Yes	Yes	No(2)	Yes	No	Yes	No	No	56% on-time (excl. appeals)
Notes: (1) issue with materials received (2) appealed to OMB												

It is observed that the City has timely processing of the in-take of files, assignment of files to planners, and circulation of files. Excluding applications where appeals would have influenced timing (i.e., the latter stages of DRP would not be entirely under the City’s control), the issuance of decisions and final notices/development agreements is not always as timely as the in-take of files.

4.2.1.3 Turnaround Time – Process Control and Monitoring

We observed that the key tool for management’s monitoring of DRP – the MAP database – is not kept up to date as applications progress through the system. We found printouts from MAP in many files, which clearly show progress on the applications but data not inputted into MAP. Although a few files demonstrated judicious tracking, generally the MAP printouts in the files were not current to the progress of the application. Applicants also cannot self-monitor the progress of their application, and if this was implemented, it is expected that this will improve the degree of client service in DRP. We are aware that the City’s IT system/support for DRP is insufficient to allow for the monitoring of applications by proponents (e.g., through a Web-based portal). We are further aware that specific plans exist for upgrading the IT system that supports DRP but these plans have not been implemented due to budget constraints.

Where external agency sign-offs are required as a condition of approval, we observed both inconsistent and notable time periods in the post-approval activities of site plans and plans of subdivision applications by these agencies. This applied to site plans, plans of subdivision and plans of condominium. The issues most often observed include delayed (up to 2 months) sign-offs of composite utility plans from authorities such as Enbridge, Bell Canada / Rogers / Telus, Hydro Ottawa, and Canada Post, as well as extended time periods (more than 3 months) for Certificates of Approval from the Ministry of Environment. It should be noted that since Infrastructure Approvals Division was granted approval authority by the Ministry of Environment under a Transfer Agreement, we have been advised approval times have been reduced to approximately three weeks.

4.2.1.4 Influence to Turnaround Time: Proponent Delays

In September 2004, the City adopted a new “On-time Review” policy, which among other things, was intended to improve the expedient processing of all development applications. This would be achieved by ensuring complete applications (and related studies) were received at the outset of the process. The City had conducted consultation with community organizations and the development industry in order to help define which studies or reports would be required at what stage in the process.

The files were reviewed to identify situations and the time period in which delays could be attributed to the proponent². Most of these situations involved insufficient information upon application and delays in submitting updated studies when requested. These time periods are directly under the control of the proponent, and are summarized below.

Table 8 - Observations on Turnaround Times - Proponent Delays

Overall DRP Timeline	Audit File Bundles										Total Days
	1	2	3	4	5	6	7	8	9	10	
Number of days of delay attributable to proponent (excluding timelines in appealed applications)	31	43	16	4	31	0	0	0	75	71	271 days
Average delay per “bundle”											28.6 days avg.
Average per application(1)											15.9 days avg.

Notes: (1) 7 of the 23 individual applications in the bundles were appealed

It is observed that proponents can delay their own approvals by as much as 10 calendar weeks, and on average generated delays per bundle of nearly 1 month and delays per application of 2 weeks.

It should further be noted that the degree of delay caused by proponents is likely understated in this audit. We observed a number of situations and introduction of new material to an application which would have led to an imminent delay in processing; however, there was insufficient information in the files to identify clear start and end dates to these potential delay points.

As noted previously, the Planning Act does not require that a municipality render a planning decision within a specified timeframe. The Planning Act only provides for an appeal to the Ontario Municipal Board as recourse by the proponent where an application has passed beyond a given time. Therefore, there is no turnaround time “compliance” to be evaluated with respect to the Planning Act. However, turnaround times are described in the City’s procedure manual and this discussion is provided in the context of the City’s timing of procedures, below. We have concluded that Planning Act application processing turnaround times at the City regularly extend beyond

² This analysis excluded time for additional non-statutory public consultation.

Provincial OMB “appeal trigger” timeframes - nor do they meet City defined timeliness standards.

We observed basic issues with the adequacy of applications, which should have warranted refusal at the in-take counter. The issues included insufficient copies of documentation, obvious deficiencies in drawings (e.g., engineering designs that did not bear an engineer’s stamp/seal/signature), and missing studies that were clearly required under the City’s “On-Time Review” program but were absent. Assigned planners and Infrastructure Approval staff should not be responsible for addressing these matters post-intake.

We have observed that applications are not put “on hold” and “reactivated” in the MAP database as frequently as they should be. More often than not, if there were matters of substance, which warranted a hold on an application’s processing (e.g., request for major additional information, major re-work of designs, additional non-statutory consultation), a request was made to the proponent but the application was not put “on hold.” As a result, the timer is left to “run on,” and when reviewing MAP timelines of files, the application’s processing timeline is inaccurately represented.

We have observed instances where both the scope of supporting studies and the quality of supporting studies were disputed between the proponent and the City. Of the files in this audit, we identified specific disputes regarding the scope/quality of infrastructure servicing studies, transportation impact assessments, and storm water management studies. We anticipate that there are disagreements between proponents and the City on all types of special studies. Further to the “on-time review” policy coming into place, the City developed terms of reference for the special studies expected with development applications. We were advised that the terms of reference for these studies were disseminated to the development industry and development information officers, but are not readily accessible (e.g., in hard copy at the Client Service Centres or available on the City’s Website). As such, the terms of reference are only accessible to those proponents that seek pre-consultation.

Recommendation 3

That Planning and Infrastructure Approvals Branch management team improve intake of development applications through a ‘one window team’ that takes ownership of an application immediately at the moment of intake at the Client Service Centres. The ‘one window team’ needs to have knowledgeable intake staff dedicated to DRP, Planning staff, and Infrastructure Approvals staff working side-by-side so an application can be shepherded (or turned away) as soon as it enters the system.

Management Response

Management agrees with this recommendation.

PTE will work with staff in the Client Service Centres to ensure the review of all applications at the time of intake, confirming that all submission requirements have been satisfied.

Recommendation 4

That Planning and Infrastructure Approvals Branch management team make terms of reference accessible for special studies. Issuing the terms of reference for these studies, so that they are accessible to all potential proponents, will provide valuable up-front guidance on the City's expectations.

Management Response

Management agrees with this recommendation.

PTE agrees that providing all potential proponents with access to the terms of reference for special studies will provide upfront guidance on the City's expectations. PTE will consult with Client Services and Public Information Branch (CSPI) and Information Technology Services branch (ITS) to post terms of reference documents on ottawa.ca. Terms of reference for studies that are currently complete are being translated and will be posted on ottawa.ca by Q4 2008. Relevant links to terms of reference related to other agencies will also be provided online. Studies such as hydrogeological guidelines and guidelines for heritage impact statements that are in progress will be posted online as they are finalized and approved by Council.

In order to maintain up-to-date online versions of City-approved terms of reference, as well as those of other agencies and the provincial government, further resourcing will be required. This resource is estimated to cost \$70,000 and is subject to budget approval in the 2009 budget. This is tied to recommendations 17 and 18.

Recommendation 5

That Planning and Infrastructure Approvals Branch management team ensure better timeline documentation and "stopping of the clock".

Management Response

Management agrees with this recommendation.

During 2007, the Municipal Applications Partnership (MAP) tasking data completion rates improved to 70-80%. Considerable training related to the April launch of the project to post development application information on ottawa.ca, has reinforced the importance of regular MAP tasking to staff. Planning Branch management will continue to utilize management reports from MAP to conduct regular reviews. Current staff will be trained on the use of MAP and 'on hold' i.e., 'stopping the clock' processes and comprehensive training will be made available for new staff.

Recommendation 6

That the Planning and Infrastructure Approvals Branch initiate improvement of the IT system/support for both City and proponent monitoring of applications.

Management Response

Management agrees with this recommendation.

Several projects have been identified to improve the IT system/support for monitoring of applications. Planning and ITS are currently working on a project (#2367) that will make development application details, including status information, available to the public and proponents via ottawa.ca for applications that require public consultation. This is scheduled for release in early April 2008. A project (#1071) to provide more detailed information and application status information to proponents via ottawa.ca was delayed pending completion of the abovementioned project. PTE will work with ITS to renew project #1071, scope the requirements and identify timelines in Q4 2008.

Planning and PWS staff are also working on project #941, which is related to inspections and release of securities (see recommendation 7).

4.2.2 Enforcing Development Agreement Conditions

The Infrastructure Services Branch (Construction Services – Development) (ISB) is responsible for overseeing the servicing of land during DRP. Inspections of road, water, sewer construction, servicing hook-ups to the water and wastewater systems, and system flow testing are key service outputs. The timing and execution of these services are linked to various conditions in the subdivision development agreement. These development agreement conditions set out various service scheduling requirements and grant division staff with powers to compel applicant performance on key infrastructure quality issues. The servicing schedule in the development agreement addresses the timing of underground services and a progression of road surfacing activities. Subdivision registration is the key date that acts as the trigger for subsequent service timing requirements. Amenities such as sidewalks and streetlights and sodding are not subject to any specific timeframes in the current development agreement. ISB is responsible for quality assurance and acceptance of the municipal infrastructure.

Park construction provisions are found in many of the City's historic development agreements. Parks timelines in the agreement are very broad – typically linking park provision with a specific subdivision phase (not a specific date as is the case with servicing). The City now in-sources park planning and construction, and has moved park implementation, design and construction out of the Planning and Infrastructure Branch.

As noted in our observations on the Early Servicing Agreement (ESA), the majority of residential green field development in the City is approved, serviced and constructed

prior to the development agreement being signed/registered. This overlapping of typically sequential activities has significantly impacted on the audit's review of condition compliance oversight by City staff. If services are in place well in advance of registration, and registration is the event that "turns on the clock" with agreement service deadlines, then the probability of compliance increases greatly. Public Works and Services staff has acknowledged that compliance with the agreement does not equate to real world performance of the construction process under the ESA regime.

In order to test development agreement compliance, a sample of 14 development agreements was selected to review timeliness of enforcement regarding service scheduling deadlines. For each development agreement a critical path of actual inspection approval dates has been constructed for comparison against agreement deadlines.

The following table summarizes the findings of the compliance analysis:

Table 9 - Compliance Performance Assessment

	UNDERGROUND SERVICES	ROAD ACTIVITIES	SIDEWALK AND STREETLIGHTS	PARKS
COMPLIANCE PERFORMANCE ASSESSMENT	100% OF SAMPLE DEVELOPMENT AGREEMENTS REFLECT TIMEFRAME COMPLIANCE AS PER AGREEMENT	90% OR MORE OF SAMPLE DEVELOPMENT AGREEMENTS REFLECT COMPLETE TIMEFRAME COMPLIANCE AS PER AGREEMENT	NO SPECIFIC TIMEFRAME COMPLIANCE REQUIREMENTS IN AGREEMENT NO AUTOMATED, CONSISTENT, ACCURATE CORPORATE DOCUMENTATION RE. SPECIFIC DATES OF INSPECTION/SIGN-OFF	NO SPECIFIC TIMEFRAME COMPLIANCE REQUIREMENTS IN AGREEMENT

Source data for the above analysis was manually compiled from a variety of disparate sources (sewer, main flushing in-service sheets and inspector notebooks). The reason that there seems to be a high compliance rate for underground services and road activities is that the agreements were not signed until after all services were installed, as previously discussed above.

Despite the fact that there are 1,700+ active development agreements in the City requiring condition compliance oversight, there is no automated, consistent, accurate corporate tracking database in the City to track inspection activity/condition compliance. Infrastructure Services Branch inspection activity is driven by: (1) reactive applicant requests to gain approvals and release securities; and, (2) community complaints about amenity provision timing. The City's MAP application manages "front-end" Planning Act DRP workflow/volumes and OBCA "back-end" workflow/volumes. However "middle" DRP infrastructure inspection workflows and volumes are managed in a reactive and manual process that lacks any integration into MAP. Management indicated that attempts to initiate a capital IT project to resolve this shortcoming have not been successful at budget time with Council.

The DRP performance risk associated with a large sophisticated Canadian growth municipality inspecting infrastructure worth hundreds of millions of dollars, using a manual system of notebooks and paper forms, is a cause for significant concern.

There is no tracking system in place for streetlight and sidewalk inspection sign-offs. Because of the reality that most inspection workload is undertaken within the ESA regime where the development agreement timelines are not relevant, staff do not exhibit a condition compliance measurement culture regarding timeliness data around condition compliance.

If the recommendations in our ESA evaluation were implemented, then the development agreement servicing schedule deadlines would be linked to the ESA date instead of the registration date. The relevance of the development agreement infrastructure servicing schedule for green field projects would improve significantly. The resulting new servicing deadlines could prompt improvement in the pace and performance of developers when progressing through construction. Servicing deadlines could also be developed for streetlights and sidewalks and integrated into the expanded ESA. Implementing these recommendations would require the Infrastructure Services Branch to refocus its tools and culture on timeline driven performance data and condition compliance schedules. Senior staff have noted that agreement enforcement is not always consistent, and that negotiated ad-hoc compliance arrangements occur regularly based on consultation between PWS and PTE.

We are of the view that an analysis of historic parks condition compliance timeframes has limited value. The decision by the City in 2004 to collect development charges for parks has created a situation where future green field development in the City will not feature developer-constructed parks. Instead, the City will build these parks. The more pertinent issue will be whether or not the City will hold itself accountable to specific timeframes for supplying parks associated with new development (as it did to developers via the historic agreements). If timeframe accountability is not adopted linking park provision to other development amenities, will park provision instead be

driven by financial and budgetary considerations? These questions are more important than backwards-looking performance assessments of a developer driven parks supply business model that no longer exists. Instead conditions around clean-and-green site provision by developers need to be refined and made explicit.

According to our file analysis, development agreement condition compliance has been achieved, largely because of the early initiation of servicing under the ESA and the lack of specific targets for streetlighting and sidewalks and parks. If specific targets for these amenities existed in the current agreements, we believe staff could not supply documented evidence of inspection deadline compliance because of deeply inadequate and dispersed manual tracking systems, and the absence of key performance indicators driving a measurement culture.

Recommendation 7

That the City implement, on an urgent basis, the required MAP application expansion to manage inspection activity and condition timeline performance as required by the compliance enforcement requirements associated with 1,700 active development agreements.

Management Response

Management agrees with this recommendation.

ITS project #941, currently in progress, will provide updates on inspection activity related to development applications for the purposes of managing financial securities. This project, involving PTE, PWS and ITS, is moving to the testing phase in the spring of 2008 and is expected to be fully operational by Q4 2008.

Recommendation 8

That the City implement and enforce new development agreement timing/ compliance targets for streetlights, sidewalks and parks. The City should also impose park provision timing/compliance targets upon itself, as was the case when developers were responsible for supplying parks as per past development agreements.

Management Response

Management agrees with this recommendation.

Management will work with all internal and external stakeholders to develop and reaffirm timing and compliance targets for streetlights and sidewalks. Management will establish a system for enforcing compliance with targets, in conjunction with the review of the subdivision/site plan standard agreements and conditions, scheduled for Q1 2009. It should be noted that aggressive monitoring will be required during the inspection phase to ensure compliance.

Due to the relationship between recommendations 8, 9, and 10, and the internal/external stakeholders involved, PTE will undertake work on these recommendations simultaneously.

Timing and compliance targets for parks development have been implemented for all new subdivision agreements since 2007. The City does not currently complete all park development. There are subdivision agreements on file that predate the 2004 Council decision to bring park development to the City. Requests for “Front Ending Agreements” for park development are still received and handled on a case-by-case basis as requested by the developer and the local Councillor. To consistently manage these requests for Front Ending Agreements, Parks and Recreation Branch are preparing a policy report to Committee and Council for consideration in Q3 2008.

Recommendation 9

That the City design development agreement absorption targets for sidewalks, streetlights and parks that move forward in stages within a given subdivision – for instance, once 50% of lots are sold then all sidewalks in blocks featuring five or more sold units must be installed within a certain amount of time.

Management Response

Management agrees with this recommendation in relation to streetlights and sidewalks.

Management will work with internal/external stakeholders to design development agreement absorption targets based upon constructed works (not units sold as suggested in the example provided) by Q1 2009. Targets based on units sold are problematic due to construction staging. General practice is to install sidewalks after units are constructed and rough graded to avoid damaging the sidewalk during construction of the home. This also ensures that the sidewalk is constructed at the proper elevation to avoid drainage problems. It follows that a sidewalk should be installed when the need arises, not based on sales. That way, the City is not responsible for maintaining a sidewalk that is not required.

Streetlights must also be staged such that they are coordinated with the construction of other utilities to avoid constructor issues. The same would generally apply to home sales and placement of streetlights. It could be possible, however, to pick a defined point in time where a streetlight must be installed, such as prior to issuance of a specified number of building permits, or prior to first occupancy.

Due to the relationship between recommendations 8, 9, and 10, and the internal/external stakeholders involved, PTE will undertake work on these recommendations simultaneously.

Management disagrees with this recommendation in relation to parks.

City policy states that a deficit cannot be incurred for “soft services”, such as the construction of parks (Ref No: ACS2006-CRS-FIN-0011). Park development is 90%

funded from development charges (DC) and 10% from the tax base. DC money is collected at the time of building permit issuance. Therefore, the funds required to develop the park are not in place until the subdivision, or phase of a subdivision, is substantially complete.

Recommendation 10

That the City design and implement small/medium/large subdivision bundles of development agreement timing targets for amenities like sidewalks, streetlights, parks and sod. This will avoid an arbitrary “one size fits all” single set of targets being applied to differing servicing and amenities realities across diverse subdivisions.

Management Response

Management agrees with this recommendation in relation to streetlights and sidewalks.

PTE will work with internal/external stakeholders to design and implement small/medium/large subdivision bundles of development agreement timing targets for amenities like sidewalks, streetlights, and sod for Q1 2009.

Due to the relationship between recommendations 8, 9, and 10, and the internal/external stakeholders involved, PTE will undertake work on these recommendations simultaneously.

Management disagrees with this recommendation in relation to parks.

City policy states that a deficit cannot be incurred for “soft services”, such as the construction of parks (Ref No: ACS2006-CRS-FIN-0011). Park development is 90% funded from development charges (DC) and 10% from the tax base. DC money is collected at the time of building permit issuance. Therefore, the funds required to develop the park are not in place until the subdivision, or phase of a subdivision, is substantially complete.

4.2.3 Ontario Municipal Board “Win-Lose” Performance

We conducted a win-lose analysis of all OMB decisions rendered since amalgamation in 2001 – in excess of 130 decisions. Each OMB decision has been assessed as a win/loss from the perspective of Council’s position and from the perspective of planning staff’s technical position.

Results are documented in the following table.

Table 10 – OMB Win-Lose Performance

OMB File Per Legal's Compendium	Year	Staff Win	Staff Loss	Council Win	Council Loss	Win % Staff	Win % Council
<i>Sub-total 2001</i>		15	3	14	4	83%	78%
<i>Sub-total 2002</i>		15	4	12	7	79%	63%
<i>Sub-total 2003</i>		8	7	6	9	53%	40%
<i>Subtotal 2004</i>		11	4	8	5	73%	62%
<i>Sub-total 2005</i>		18	5	15	4	78%	79%
<i>Sub-total 2006</i>		16	6	11	7	73%	61%
Total 2001-06		83	29	66	36	74%	65%
Total 2004-06		45	15	34	16	75%	68%

<i>Where Staff/Council Positions Diverge During 2004-06</i>	12 Cases	Staff Wins	Council Wins
<i>All re-zoning and/or OPA</i>		9	3

<i>Where Staff/Council Positions Consistent During 2004-06</i>	38 Cases	31 Wins	7 Losses
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City performance from both a corporate perspective (Council position) and a planning staff technical perspective has been generally positive. The staff position has prevailed at the OMB in 75% of cases generating decisions. Council's position has prevailed in almost 68% of case decisions (i.e., during the more settled 2004-2006 post-amalgamation period).

Council and staff have generally adopted consistent positions on the same side of most OMB cases/decisions. During 2004-2006, 38 cases demonstrated consistent staff/council positions while only 12 cases demonstrated opposing positions.

Of the 12 cases demonstrating a lack of staff/Council consistency, 10 decisions concerned rezoning issues. Rezoning disagreements often focus on intensification issues. A subsequent detailed review of the OMB decisions associated with these files is the subject of a subsequent aspect of this report.

Councillor interviews conducted in the course of this audit revealed a perception that the City has not performed well or cohesively before the OMB. The evidence suggests otherwise. Overall, staff positions have been technically sound and have prevailed in a strong majority of the cases/decisions.

Recommendation 11

That the City should require a "success feasibility" assessment from Legal staff for Council prior to embarking on each Ontario Municipal Board case, in order to maintain the City's strong win-lose performance at the OMB. This assessment will function as a quality control check; thereby ensuring fiscal resources associated with the case are being expended prudently.

Management Response

Management agrees with this recommendation with respect to cases where Council is not accepting the advice of PTE staff.

The audit reveals that where Council is acting on the advice of PTE staff, the success rate at the OMB, should an appeal be received, is very high. To require a legal opinion be filed with Council for each such appeal would seem, therefore, to be an unwarranted use of resources.

However, where Council does not accept the advice of PTE, or it appears from a committee recommendation that Council may not accept the advice of PTE staff, a legal opinion on the merits of the case will be provided.

4.2.4 Ontario Municipal Board Policy Consistency

Good development is expected to rely on tools such as the Official Plan and the Zoning By-law to guide developers' preparation of proposals. If developers have due regard for these adopted City policies and regulations, then the ability to obtain approvals for development proposals can be relatively predictable. This predictability is a consideration for all proponents ranging from individual owners to sophisticated builders. Development proponents rely on this predictability to help them phase, finance, and schedule the ultimate construction. The construction industry, in turn, drives an important aspect of the local economy. Therefore, if consistency is demonstrated in the rendering of planning recommendations, then this supports effective DRP.

Municipalities are required to render planning decisions in conformity to their Official Plans. Municipalities were also required to render planning decisions with "regard to" the Provincial Policy Statement (PPS) for land use planning, and more recently, render decisions "consistent with" the 2005 PPS. As noted earlier, the predictability of development approvals is influenced by the consistency with which planning decisions are rendered in conformity to these guidance documents.

There are few independent tests for policy consistency in the planning process, since it is the duty of Planning staff to recommend an application for approval only if it conforms to the PPS and the Official Plan³. Where there is a dispute regarding Council's approval (or refusal) of an application on its planning merits, then the Ontario Municipal Board provides recourse for the applicant to seek an independent test of policy consistency and good planning. In rendering its decision, the Ontario Municipal Board has regard for all of the matters/information upon which the original decision was made, and renders its decision in consideration of the policies of the PPS and the Official Plan, and the requirements of the Zoning By-law.

³ Of the bundles reviewed in the audit, we have observed that all of the planning reports prepared by staff clearly indicate that planning recommendations are made in conformity to the City's Official Plan and in compliance with the Zoning By-law.

Following the results of the OMB Win-Lose Performance Analysis, a small number of files were identified where staff's recommendations and the decision of City Council were not in alignment, and the matter was then appealed to the Ontario Municipal Board by the proponent. The ruling of the Board as documented in the OMB Decision describes any issues with the conformity of staff's recommendation or lack thereof, and therefore a review of the Board decisions of these files⁴ provides an opportunity to assess the City's policy consistency.

A summary of the results of the review of OMB Decisions is provided below.

Table 11 – Review of OMB Decisions

OMB Case No.	General matter of appeal	Did the OMB Decision demonstrate that Staff's recommendation was in conformity to PPS, OP; and/or in compliance with Zoning?
PL031040	Zoning to permit apartment hotel	Yes
PL031077	OPA and zoning to permit a church	Yes
PL040760	Zoning to permit stacked townhouses	Yes
PL050076	OPA and zoning to permit residential	Yes – with respect to the Official Plan Amendment No – with respect to the zoning
PL050251	Zoning to permit rural commercial	No(1)
PL050415	Zoning to permit automobile dealership office and related parking	Yes
PL050554	Zoning to permit storage of construction equipment	Yes
PL050595	Zoning to permit apartment building	Yes
PL050584	OPA, zoning, and site plan for new format retail grocery store and related uses	Yes
PL051127	Zoning, Plan of Subdivision, and site plan for townhouses	Yes
Summary of Performance		85% (8.5 out of 10)
Notes: (1) The staff responsible for the file was on extended leave and was not able to present evidence at the Hearing		

It is observed that the staff recommendations are consistent with policy outcomes expressed in the Official Plan and provincial legislation/policy frameworks. Staff are clearly meeting their responsibility to provide their professional opinion on planning matters and make recommendations to Council/Committee which conform to the PPS, Official Plan, and which meet Zoning requirements. Based on the very strong track record of the Board upholding the recommendations of the City's professional Planning staff, it could be inferred that if the staff Planner was present in case number PL050251, the Board might have ruled in alignment with staff's original recommendation. If this was the outcome, the resulting staff performance in this table might be 95%, which would be considered exemplary.

Conversely, where the City's governing body has rendered a DRP decision that does not follow staff's recommendation and this decision has been tested at the Ontario Municipal Board, the analysis above demonstrates that Council/Committee's decisions

⁴ Two OMB files are excluded from this analysis. Both relate to matters of City-initiated Official Plan changes and which are therefore not related to DRP.

against staff recommendations are proven not to be consistent with policy outcomes in the Official Plan and Provincial Legislation/Policy Frameworks.

We did not observe any evidence that DRP decisions inconsistent with prevailing policy are arising from Councillors request to remove delegated authority. Of the OMB decisions reviewed and the subject DRP files, all of these involved either an Official Plan Amendment or Zoning By-law amendment. Official Plan and Zoning By-law Amendments must be adopted/approved by Committee/Council and are therefore subject to a decision rendered in the open municipal government forum.

It is the responsibility of the City's government to weigh staff's advice, but it decides on the planning matters before them using their judgement of all inputs (staff, constituents, etc.).

4.2.5 Building Permit/Occupancy Inspection Coordination with Overlapping Planning Act DRP

The majority of green field residential building permits issued in the City of Ottawa are generated from within the Early Servicing Agreement regime. The ESA regime transforms a largely sequential DRP process into an overlapping process where development agreement driven servicing inspections by Public Works and Services and OBCA conditional permit issuance are completed prior to lot creation (i.e., registration).

The result is a "just in time" overlapping system of partial and final OBCA occupancy approvals issued immediately following lot creation/registration. Given the high volumes of greenfield OBCA applications and subsequent occupancy inspection activity during a compressed time period, there is a risk that occupancy could be granted for housing constructed on unregistered lots.

In order to assess risk of unintended occupancy being granted prior to registration (i.e., potential non-compliance with OBCA applicable law regarding zoning compliance), a sample of development agreements and associated building permit applications were identified for compliance analysis. This sample was used to create a data download from the City's MAP system for analysis. Using the MAP download, a critical path of sequential DRP approval dates was assembled for 15 subdivision development agreements and more than 300 associated building permit applications.

The purpose of the critical path analysis was to determine whether occupancy inspection approvals ever predated legal creation of lots (i.e., registration). Conditional building permit issuance relative to registration was also evaluated.

Findings from the critical path analysis were as follows:

- After reviewing the timing of more than 300 conditional building permits/occupancy inspections, we found approximately 99% of the sample featured occupancy inspection approvals AFTER the Planning Act process culminates in lot creation via registration. No compliance issues with occupancy approvals were identified.
- In the case of a single 2005 development agreement, three partial occupancy inspection approvals were granted prior to subdivision registration. This represents an isolated example of non-compliant approvals.

A relatively small number of occupancy inspection approvals (less than 10) featured a very narrow sequential compliance range of less than a week.

The isolated non-compliance incident detected in the sample occurred in an overall ESA process that does not feature a business rule “veto” to prevent Building staff from granting partial occupancy approvals for houses sited on yet-to-be created lots. It is not clear how the key conditional requirement of the permit (i.e., registration) is to be enforced if occupancy is legally possible.

4.2.5.1 Conditional Building Permit Legal Compliance Issue

After reviewing a sample of approximately 300 building permits issued during the ESA regime, significant legal compliance issues have been identified. It is not clear how Planning Act Section 34 applicable law is being satisfied (at the time of permit issuance) if the OBCA conditional building permitting is issued before the lot is legally created, and zoning review can be properly conducted. There are no Zoning By-law provisions validating/exempting the process from “one house on one lot” requirements. Virtually 100% of building permits issued during the ESA regime are conditional permits. We are only referring to new residential greenfield development permits in our analysis. We did not review building permits for accessory building or addition permits, i.e., decks. We have received a legal opinion from the City Solicitor that: *“the practice of issuing a conditional permit for a plan of subdivision that has not yet been registered at the Land Registry Office may contravene Section 8(3)(a) which states that an applicant must be in compliance with all municipal zoning by-laws enacted under Section 34 of the Planning Act before a conditional permit can be issued. Until a plan of subdivision is registered and the lot is severed into multiple lots, compliance with the “one house on one lot” requirement found in most municipal zoning by-laws is not met.”*

Development stakeholder interviews consistently suggest the conditional permit process within ESA was designed as de facto compensation by City staff for a slow/convoluted front-end Planning Act DRP. This audit has discovered no substantiating evidence documenting this developer claim.

Table 12 – Compliance Performance: Permit Issuance and Occupancy Approval

<p>DEVELOPMENT AGREEMENTS REVIEWED (PROFILE)</p>	<p>COMPLIANCE PERFORMANCE RE. PERMIT ISSUANCE AND OCCUPANCY APPROVALS</p>
<p>AGREEMENTS SELECTED FROM ALL GEOGRAPHIC DISTRICTS</p> <p>INCLUDES AUDITOR SELECTED FILES AND COUNCIL IDENTIFIED FILES USED IN OTHER ASPECTS OF DRP AUDIT</p>	<p>300+ PERMITS AND ASSOCIATED OCCUPANCY APPROVALS REVIEWED FOR TIMING VERSUS LEGAL LOT CREATION</p> <p>OBCA CONDITIONAL PERMIT COMPLIANCE RE. APPLICABLE LAW IN ESA PROCESS</p>
	<p>99% OCCUPANCY APPROVALS OCCUR AFTER LEGAL LOT CREATION (REGISTRATION)</p> <p>A SINGLE EXAMPLE (3 PERMITS) OF OCCUPANCY GRANTED PRIOR TO REGISTRATION ...EXAMPLE OF NON-COMPLIANT RESULTS</p> <p>VIRTUALLY 100% OF ESA REGIME CONDITIONAL BUILDING PERMITS ARE ISSUED PRIOR TO LEGAL LOT CREATION...UNCLEAR HOW OBCA CONDITIONAL PERMIT REQUIREMENT TO MEET PLANNING ACT (ZONING) APPLICABLE LAW IS BEING ACHIEVED</p>

Recommendation 12

That the Chief Building Official, in exercising his/her legal discretion to issue conditional building permits and conduct required statutory inspections, should establish an on-going business rule that building permits not be issued prior to legal lot creation/registration.

Management Response

Management agrees with this recommendation.

The current policy and procedure will be revisited, in Q1 2009, upon completion of the review and revision to the early servicing agreement system (see recommendation 23), and will be amended as necessary.

Recommendation 13

That the Chief Building Official and Legal Services should jointly respond to the audit by demonstrating that Ontario Building Code Act (OBCA) residential conditional permits (issued under the ESA regime) meet the Section 34 zoning applicable law review obligations of the City at the time of permit issuance.

Management Response

Management agrees with this recommendation.

The policy and procedure will be revisited, in Q1 2009, upon completion of the review and revision to the early servicing agreement system (see recommendation 23), and will be amended as necessary.

4.3 Audit Objective Theme: DRP Process Efficiency and Organization Structure

4.3.1 Improvements Documented from Stakeholder Interviews

DRP is an activity which involves a wide variety of stakeholders throughout all stages. At its most basic, a development application involves a proponent (the applicant) and the approval authority (the City), but this is rarely the case. Normally, a substantial development comes about through a package of development applications with a suite of supporting technical studies. The multi-disciplinary nature of development can therefore involve a wide variety of stakeholders, the Audit Plan included discussion of DRP matters with key stakeholder groups to identify matters related to process, role, efficiency, and priorities for improvements. Due to the wide range of stakeholders but limitations of time/budget for the audit, the stakeholders interviews have been scoped to: Planning, Infrastructure and Approvals (PIA) staff; other staff in departments related to DRP; group of major development industry stakeholders; and, the conservation authority.

4.3.1.1 Planning, Infrastructure and Approvals (PIA) Staff

We observed that PIA staff share consensus on the issues with DRP and potential improvements to DRP. Staff expressed strong encouragement for pre-consultation, emphasize that it is useful, and encourage better documentation. Staff identified varied experience with incoming applications, from some which are clearly incomplete, to some which are complete but have quality issues, causing delay later in the process. There were varying perspectives on the timeliness of the City's processing of development applications through the DRP stages; staff external to Infrastructure approvals (IA) indicate that timing of comments from IA cause internal slow-downs in DRP, and IA staff indicate that lack of qualified staffing, lack of administrative support, and independent geographic groups (difficult to re-assign workload) within IA are the root causes of delays. With respect to circulation to external agencies, the principal causes for late comments include mailing delays and lack of commitment on the agency for a response. There was strong support for delegated authority as the most time-efficient method for the City to process applications. There was mixed feedback on MAP, but generally the comments suggest that the tool is not used to its full advantage. Numerous comments were received on organizational structure expressing a desire to include Public Works and Services, Transit, and Parks into a comprehensive DRP team (refer to the Capacity Analysis and Organization Design component of the audit for a further detailed discussion).

4.3.1.2 Other Staff in Departments Related to DRP

We observed that staff in other departments related to the DRP have mixed opinions on specific DRP issues with some consensus on improvements. Staff expressed strong encouragement for pre-consultation and encouraged more participation of the Parks Division. Staff noted that the quality of applications varies, and that the quality of reports provided is not always good. In terms of circulation, staff recognized a considerable time delay between transmitting materials between Laurier and Constellation. Issues with communication during the review process included lack of dialogue, geographical separation of offices, and lack of understanding/appreciation of other department's mandates. With respect to the approvals process, Parks staff want to be involved in discussions related to cash-in-lieu for site plans and Planning staff to support their recommendations. Staff related to IA indicated that their comments are not treated as a package and a rationale is not always provided when their comments are not incorporated into planning reports/recommendations. Staff supported delegated authority as the best way to efficiently process applications, while there were mixed comments regarding Councillor concurrence – some viewed it as positive for getting “better than the minimum” from developers whereas others suggested it as a means to “play games” in the DRP system. There were also mixed comments regarding public consultation, with some staff suggesting that the public process is possibly being “manipulated” (specific details not provided) whereas others were supportive of more consultation. Staff indicated that providing developers with access to the “schedule” tab of MAP would be a specific improvement to DRP. In terms of organizational

structure, there were mixed comments regarding consolidating staff into a “one window team” versus maintaining the status quo. Staff noted that DRP is challenged with a paradox of “make it happen” (i.e., meeting timelines) versus “make it happen right”, and this approach is not consistent among all staff.

4.3.1.3 Group of Major Development Industry Stakeholders

We observed that development industry stakeholders (“developers”) have had mixed experiences with DRP. Developers indicate that they use pre-consultation frequently and indicate that – because they are accustomed to submitting development applications – they are “well trained” for application submission requirements. With respect to processing, developers specifically identified that Plans of Condominium are processed expeditiously whereas Site Plan processing timelines are “poor.” Developers indicated that they attempt to resolve issues instead of going to the OMB. They further noted that the progress of a file is influenced by the initiative of the assigned planner to “make development happen” and offered some praise for these staff. In terms of application review, developers expressed a preference for packaging of comments rather than piecemeal (notably from Infrastructure Approvals), and for planners to adjudicate conflicting comments to identify resolutions for keeping the file moving through the process. Developers indicated that it should be more difficult to revoke delegated authority (they identified public consultation as a hurdle but did not suggest that it affected the turnaround times of applications). Regarding recommended improvements for the City as an organization and client service, developers suggested that Public Works and Services involvement be integrated with DRP staff. In addition, developers suggested staff update MAP more frequently, and that MAP be made accessible to developers.

4.3.1.4 Rideau Valley Conservation Authority (RVCA)

We observed that RVCA and the City have an overall positive working relationship with formal recognition of roles/responsibilities through a Memorandum of Understanding. RVCA sees itself as a key agency with respect to matters of the natural environment in DRP. The RVCA can be a party to pre-consultation and is sometimes pre-consulted on the scope of special studies; where this has occurred, RVCA indicates that the quality of the special studies can be better as compared to when no pre-consultation occurs. As a key commenting agency, RVCA indicates that it sometimes does not receive reports quickly enough to comment (“the mail system is slow”), although it attempts to maintain the 28-day turnaround for initial feedback. The RVCA indicates that its comments on important matters are sometimes not reflected in staff’s planning reports. Lastly RVCA indicated that its opinions need to be treated as those from a distinct agency rather than an extension of City staff.

4.3.1.5 Summary of Feedback Received from Stakeholders

Table 13 – Stakeholders’ Feedback

DRP Component	PIA Staff	Other Staff in Departments Related to DRP	Major Development Industry Stakeholders	Conservation Authority
Process & compliance	<ul style="list-style-type: none"> ▪ Encourage pre-consultation ▪ Issues with quality of applications /reports 	<ul style="list-style-type: none"> ▪ Encourage pre-consultation ▪ Issues with quality of applications/reports ▪ Want more involvement in pre-consultation ▪ Want DRP staff to understand other staff’s role/mandate 	<ul style="list-style-type: none"> ▪ Encourage pre-consultation ▪ Speed of processing is dependant on the initiative of individual staff to move applications forward 	<ul style="list-style-type: none"> ▪ Encourage pre-consultation ▪ Issues with quality of applications/reports ▪ Want more involvement in pre-consultation ▪ Want DRP staff to understand CA’s role/mandate
Council role	<ul style="list-style-type: none"> ▪ Support delegated authority 	<ul style="list-style-type: none"> ▪ Support delegated authority ▪ Support Councillor concurrence where it leads to “better” concessions 	<ul style="list-style-type: none"> ▪ Support delegated authority ▪ Make it more difficult to revoke delegated authority 	<ul style="list-style-type: none"> ▪ <i>n/a</i>
Bottlenecks / workload	<ul style="list-style-type: none"> ▪ Separation of staff in different locations ▪ Insufficient staff/support in IAD ▪ Independent geographic groups in IAD 	<ul style="list-style-type: none"> ▪ Separation of staff in different locations 	<ul style="list-style-type: none"> ▪ Preference for packaging of comments, rather than piecemeal ▪ Want Staff to adjudicate conflicting comments 	<ul style="list-style-type: none"> ▪ Mail system is slow in getting materials to RVCA for comment
Priorities for DRP improvements	<ul style="list-style-type: none"> ▪ Use MAP to full potential ▪ Support for “one window” DRP team 	<ul style="list-style-type: none"> ▪ Make “Schedule” tab in MAP accessible to proponents ▪ Mixed support for “one window” DRP team 	<ul style="list-style-type: none"> ▪ Update MAP more frequently and make accessible to developers ▪ Support for “one window” DRP team 	<ul style="list-style-type: none"> ▪ <i>n/a</i>

4.3.1.6 Geographic Separation and Slow Methods of Transmittal

Staff involved in DRP are located at City Hall (110 Laurier) and at Constellation. This geographic separation can make it difficult for key staff to collaborate as a multi-disciplinary team on DRP files and also makes it difficult to convene meetings on short notice (especially pre-consultation meetings which are viewed as valuable to the overall timely processing of applications). This problem is worsened by the lack of efficient methods of transmittal of documentation. Currently, DRP is a paper-intensive activity and dependant on mail service to move drawings and reports from office-to-office (short documents are customarily transmitted by fax but large drawings and reports are still sent by mail service). Overall, there is agreement among the DRP stakeholders that a one window team would be more effective than the current dispersed staff model for DRP. Reflecting on our experience, this “one window” model is common among many of Ontario’s urban municipalities experiencing growth / development similar in scale to Ottawa.

4.3.1.7 Lack of “Leader” to Manage Process and Conflict

Both internal and external stakeholders in DRP recognize the need for a “leader” to manage the process and conflict. It is recognized that some of the assigned planners demonstrate a capacity for fulfilling DRP responsibilities in terms of planning (issuing planning recommendations in the public interest) and in terms of process (working with the DRP team to deliver timely approvals); this same positive attitude exists among some of the engineers, technologists, and other staff involved in DRP. However, this leadership quality is not common throughout all the City staff involved in DRP, resulting in delays and inconsistencies in the DRP process. At minimum, it appears that if the assigned planner demonstrates a personality of leadership / project manager, the application is generally handled expeditiously. The emphasis for Project Managers appears to be on Plan of Subdivision, Site Plan, and (to a lesser extent) Plan of Condominium files. Currently, the need for Project Managers on Official Plan Amendments, Zoning By-law Amendments, etc., do not appear warranted.

Recommendation 14

That the City consider the impact of geographic location of key staff when creating a “One Window Team” for DRP. For the “One Window” to be effective, geographic barriers may need to be removed where they have posed a hindrance to the timely sharing workload and data across the entire City portfolio of DRP files.

Management Response

Management agrees with this recommendation.

PTE understands ‘One Window’ in this recommendation to be above and beyond the intake of development applications as identified in recommendation 3, and to mean co-locating all DRP staff in one location. It is also understood that recommendation 25 has a bearing on this recommendation.

Depending on the ultimate service delivery model selected for the DRP, costs will be associated with the accommodation of the ‘One Stop Service’. These costs will range from nominal if staff moves are involved within existing work areas, to substantial if leasing new space and renovations are required to accommodate staff locating in one area. A detailed analysis will need to be undertaken in 2008 with implementation occurring in 2009, subject to budget approval in the 2009 Budget.

Recommendation 15

That Planning and Infrastructure Approvals Branch clearly identify a lead planner (Project Chief) for all DRP files.

Management Response

Management agrees with this recommendation.

PTE will ensure that the roles and responsibilities of the lead planner (i.e., project chief) are clear and are understood both internally and externally.

Recommendation 16

That Planning and Infrastructure Approvals Branch arrange project/logistics management training for DRP Project Chiefs. This training will strengthen staff's ability to manage process and address conflict. Ideally, all key DRP team members should receive project/logistics management training, but as a minimum, all DRP Project Chiefs must receive training during 2008.

Management Response

Management agrees with this recommendation.

While procedures are in place to outline the various steps involved in the review and approval process, PTE supports the provision of project/logistics management training for all staff managing project files. Additional funding, estimated at \$120,000, is required for this training, which will be provided on an intact team basis.

PTE will consult with ITS about the potential for the purchase and/or development of leading edge project management software. An estimate of costs and timelines will be developed following consultation, by Q4 2008.

4.3.2 Improvements Documented from Client-Specific Interviews

The audit uses an evidence-based approach, which places emphasis on factual findings (principally through the review of documentation). In addition to the principal task of documentation review, interviews were deemed appropriate since they provide an opportunity for "first-hand" feedback on the experience of DRP proponents. During the review of the bundles, we noted whether the owner, an agent, or a principal consultant was significantly involved in the processing of the files. For each bundle, we conducted interviews with the owner or the agent/consultant that had the greatest involvement the file. In order to maintain an evidence-based approach, we evaluated the interview feedback for commonalities or recurring themes. Our observations are framed upon these recurring themes and weight was not given to "one-off" comments.

As described in the "Stakeholder Concerns" portion of this report, development is typically multi-disciplinary in nature and involves a wide variety of specialists working on behalf of the proponent as well as a wide variety of City staff. The review of the documentation in the file bundles tells only a part of the story with respect to the proponent's experience and degree of client service with DRP. Although we are aware that staff does receive praise from proponents, it is rare to find correspondence of this nature in the DRP files. Furthermore, it is equally as rare to find correspondence in DRP files with specific criticism of the City's performance (unless a proponent has filed an appeal to the Ontario Municipal Board and has identified their frustration with the process as the rationale of the appeal). Given that DRP is a core client service delivery area for the City, it is imperative that feedback from clients is obtained, evaluated, and documented as part of this audit. This client feedback provides balance of the audit's "paper trail" review with the "quality of experience" of DRP proponents.

In order to maintain consistency in the overall evaluation, the interviews and our observations are structured similarly to the rest of observations produced for the file audit.

4.3.2.1 Summary of Findings from DRP Proponent Interviews

Table 14 – DRP Proponent Interview Feedback

DRP Proponent Interview	
Process & compliance	<ul style="list-style-type: none"> ▪ Good experience with pre-consultation ▪ Would like more information at pre-consultation stage
Consultation	<ul style="list-style-type: none"> ▪ No significant theme among findings
Delegated authority / Council's role	<ul style="list-style-type: none"> ▪ Satisfaction with delegated authority for approvals
Bottlenecks / workload	<ul style="list-style-type: none"> ▪ Issue with timely feedback from Hydro ▪ Issue with timely feedback from IA and/or PWS
Priorities for DRP improvements	<ul style="list-style-type: none"> ▪ More specific feedback, advice, expectations during pre-consultation ▪ Better in-take staff and “deeming complete” process ▪ Knowledge of who has carriage of the application ▪ Applicant-accessible tracking of application progress ▪ Better structure to commenting cycles ▪ Planners need more authority (adjudicate issues, delegated authority, agreements) ▪ Do not delay file for any “concurrency” steps ▪ Fast-track stream for development applications (small / innovative / “good” planning)

4.3.2.2 Clients' Positive Experience with Pre-consultation

We have documented clients' positive feedback with pre-consultation. Clients noted that pre-consultation was effective in identifying various issues which, in their opinion, helped expedite or “smooth” the process.

Clients indicated that time was of the essence for many of them and any avoidance of unforeseen work (which causes delays) is valuable. Since pre-consultation is a key mechanism in DRP to identify issues early in the process and thereby reduces potential delays, they found much worthiness in pre-consultation.

We are aware that recent changes to the Planning Act empower municipalities to make pre-consultation mandatory by passing a by-law to “require applicants to consult with the municipality” before submitting applications for Official Plan Amendments, Zoning By-law Amendments, Site Plan Applications, and Plan of Subdivision Applications. Given that the City and its DRP clients recognize the benefits of pre-consultation, this provides sufficient justification to formalize it. Mandatory pre-consultation would also provide a stronger mechanism to refuse intake of an application if it lacked highly pertinent supporting studies (e.g., during pre-consultation the staff Planner advised that a traffic study was required for a re-zoning and site plan for an apartment building, but the application was submitted without the required traffic study).

4.3.2.3 Strong Client Desire for More Information at Pre-Consultation Stage

We have documented clients' desire for more information at the pre-consultation stage. This follows the logic of the previous observation, i.e., positive experiences from pre-consultation encourage more pre-consultation.

We observed three specific matters which appear to be at the core of clients' desire for more information: (1) wider breadth of feedback on issues/process; (2) specific advice on improvements; and, (3) well-articulated expectations for the evaluation criteria which will be applied to the proposed development.

With respect to the breadth of feedback on issues, clients believed they receive suitable feedback on broad planning and servicing matters but are encouraging feedback from staff on finer-grain matters including but not limited to heritage, traffic, lighting, etc. Clients did not expect a large pre-consultation meeting with all potential agencies, but instead desired input from highly knowledgeable staff that would be able to "flag" potential concerns. Furthermore, some clients desired more detail on the DRP process, with one client specifically wanting greater detail on the post-approval process (i.e., fulfillment of conditions of approval before issuance of a building permit).

There is only a basic comment form used by staff for pre-consultation comments. Greater guidance is possible if a structured and more detailed comment form was used, addressing principal aspects discussed in the Official Plan, the "On Time Review" Program, and required special studies (e.g., servicing, stormwater management, environmental studies, traffic studies, noise studies, retail studies, etc.). Due to the wide variety of development proposals that are processed through DRP, the form would need to be comprehensive and staff would have to provide the pre-consultation comments to the client within a reasonable time frame after the pre-consultation session. To minimize the City's liability on feedback provided outside of the formal development review process, these forms clearly identify that staff's advice/feedback is "without prejudice" and reflects only the information presented at the pre-consultation meeting.

With respect to specific advice on improvements, Clients encouraged feedback from staff with respect to potential improvements to their proposals. Clients expressed some willingness to incorporate changes before the submission of their application, especially if the changes would reduce delays in a review/commenting cycle later in the process.

Lastly, clients expressed a significant desire to have well-articulated evaluation criteria for the proposed development, specifically as it related to technical requirements such as infrastructure servicing, impact assessment studies, etc. Although we documented some client feedback that existing evaluation criteria was onerous/unnecessary, we also documented other clients' willingness to design their development to meet the City's requirements if the criteria were known. Overall, we have observed that clients' desire

for more information at pre-consultation is intended to help them navigate the complex process of DRP and help reduce delays in the processing of their application.

Based on discussions with staff, we are aware that there is a “development manual” which describes many of the City’s expectations and requirements as it relates to special studies for DRP applications. A version of the manual with evaluation criteria was distributed to major developers and consultants in the industry. However, this manual is not available on the City’s Website or in printed copy at the Client Service Centres, principally due to its fairly technical details but also because some of the evaluation criteria are not those of the City. From our perspective, the only other way for an applicant to obtain information on the City’s evaluation criteria would be to ask (which assumes that an applicant knows to ask or City staff are forthcoming with the information). The requirement to comply with the manual would be enshrined in updated Official Plan policy, which makes reference to these study requirements and criteria.

4.3.2.4 Strong Client Satisfaction with Delegated Authority for Approvals⁵

We have documented clients’ strong satisfaction with delegated authority as the route for issuance of a decision on their DRP applications. A few clients expressed a distinct preference for delegated authority as the route for approvals of planning decisions.

Of the clients which expressed a distinct preference for delegated authority as the route for decisions of planning applications, they further expressed a wide variety of reasons for their preference including: no delays caused by (re)scheduling an item on to Committee/Council’s agenda; delegated authority decisions are issued on the merits of good planning; DRP applications under delegated authority are more straightforward for the client to monitor and follow-up with staff; and, public concern can be more effectively addressed under delegated authority processes. Of all these reasons, it is clear to us that the underlying factor of clients’ preference for delegated authority is expediency in the issuance of a decision (i.e., timeliness).

4.3.2.5 Issue with Timely Feedback from Hydro Ottawa (Post-Approval)

We have documented clients’ dissatisfaction with obtaining timely feedback from Hydro Ottawa relating to Hydro’s sign-off on the Composite Utility Plan (CUP). This sign-off of the CUP is a common condition of approval for many approved Site Plans and Plans of Subdivision (we recognize that Hydro Ottawa is considered an agency in the DRP process; however, through Hydro Ottawa Holding Inc., it is wholly owned by the City).

⁵ Inferences regarding DRP decisions issued through Committee/Council should not be made from this observation, since the feedback received on the subject of Committee/Council’s issuance of decisions was not consistent among the Clients that were interviewed.

Clients specifically expressed difficulty with: (1) identifying the staff at Hydro Ottawa responsible for reviewing the materials; (2) receiving feedback from Hydro Ottawa when enquiries were made; and, (3) receiving timely feedback for sign-off of the Composite Utility Plans. Certain clients also expressed concern with Hydro Ottawa's timely feedback on easement requirements. Clients singled-out Hydro Ottawa because they suggested that the other utilities (telephone, cable TV, Internet, and natural gas) tend to co-locate in Hydro Ottawa's service corridors and "piggyback" on Hydro Ottawa's easements, so a delay of Hydro Ottawa's feedback creates a domino effect, delaying of timely feedback from the other utilities. Clients speculate⁶ that the underlying causes of Hydro Ottawa's untimely feedback for DRP are a result of: (1) insufficient overall staffing at Hydro Ottawa to support DRP; (2) insufficient specific staffing of design/drafting staff at Hydro Ottawa to support DRP; and, (3) lack of initiative/interest at Hydro Ottawa to deal with DRP matters. It should be noted that client's dissatisfaction with the timing of Hydro Ottawa's feedback is not conclusive evidence that the problem exists.

4.3.2.6 Issue with Timely Feedback from IA and/or PWS (both approval and post-approval stages)

We have documented clients' dissatisfaction with obtaining timely feedback from IA and/or PWS relating to the period for circulation/comment on applications pending approval as well as comment/sign-off on post-approval conditions.

Clients concerns with respect to timely feedback from IA and/or PWS emanated from a wide variety of matters.⁷ Clients believed that the cause of untimely feedback from IA and/or PWS was related to: lack of overall adequate staffing; lack of specific staffing within a geographical area (and a related inability to share workload); and, lack of City to attract/retain staff for IA. Other related matters - but not those directly related to timeliness of commenting from IA/PWS - included confusing and/or piecemeal commenting cycles as well as unwillingness of staff to move forward if IA/PWS comments are outstanding. It should be noted that any real issues related to adequate staffing are assessed and addressed in the Capacity Analysis portion of this audit.

4.3.2.7 Wide Range of Client Suggestions for DRP Improvement

We have documented a wide range of client suggestions for improvement to DRP (this wide range represents recurring feedback provided by clients, rather than "one-off" comments). Many of the potential suggestions identified by clients have been addressed in other sections of this report where evidence has confirmed a potential issue and justifies our recommendations for improvement. The client suggestions which have not been discussed and remain the subject of this section are:

⁶ The scope of this audit does not include a review of Hydro Ottawa's service delivery for DRP, so causes of this issue are documented from the perspective of the Client.

⁷ We documented a range of feedback but only those recurring matters were considered systemic. Other issues were deemed to be specific to the Clients' development proposal/application.

1. Knowledge of who has carriage of an application: This emanates from clients' readiness to follow-up with the City on their DRP file but a sense that their application has disappeared into a "black box." Clients also felt that if they knew who was commenting on their application, they could provide specific feedback or more effectively address issues by communicating directly with technical staff.

We believe that a further improvement would be to identify and provide the name and phone number of key DRP staff (Planning and IA), key internal commenting groups (Parks, Transit, RPAM, etc., as each situation dictates), and key agencies/utilities which will be circulated the application package. This would be done at the time a letter is issued indicating that the application is deemed complete and is progressing through the process. With appropriate IT improvements discussed elsewhere in this audit, this would not be an onerous task. While the City does issue letters to the applicant identifying the assigned planner, we did not find copies of these letters in all the audited files.

2. Better structure to commenting cycles: Clients would like to receive comments as a package rather than piecemeal. This would allow them to resolve any conflicting comments and expedite revisions to their application. We believe that this is a symptom of other IA and DRP issues, rather than a cause. We note that commenting staff and agencies are provided a timeline for their comments. If this timeline was consistently met, then the client would have received all relevant comments by the end of the commenting period. The client would then be able to review and respond to all comments, rather than deal with piecemeal comments arriving at various intervals.
3. No delay for "concurrency" steps: Clients suggested that waiting for concurrence can cause an unnecessary delay for an approval, especially for development which has a combination of staff support, councillor support, and no public opposition. Applications which meet the following criteria would be exempt from the concurrence step and proceed towards approval:
 - a) Subject to delegated authority; AND
 - b) Councillor has been circulated on the application; AND
 - c) Staff support the planning application (further to any required studies, revisions, conditions); AND
 - d) The applicant concurs with staff's support and conditions; AND
 - e) No public comment on the application OR issues were raised by the public but comments demonstrating public satisfaction as a result of subsequent discussion or revision to the application are on file; AND
 - f) No Councillor comment/concern on the application; AND,
 - g) Delegated Authority has not been lifted by the Councillor.

4. *Fast-track stream for development applications (small / innovative / 'good' planning):*
Clients believed that major or contentious development is dealt with in the same stream as small, innovative, or good projects, and felt that these projects should be fast-tracked through the system⁸. The audit has elsewhere confirmed that 'small' development is not treated unfairly in DRP.

Recommendation 17

That Planning and Infrastructure Approvals Branch provide improved feedback and advice during pre-consultation by using a detailed pre-consultation form/checklist.

Management Response

Management agrees with this recommendation.

Management is currently preparing pre-consultation guidelines and associated documents, including a detailed form/checklist. PTE will consult with CSPI and ITS in order to post this information on ottawa.ca. This project is scheduled for completion by Q4 2008. The pre-consultation guidelines are linked to recommendations 4 and 18.

Recommendation 18

That Planning and Infrastructure Approvals Branch publicly issue its Development Manual, by making it available on the City's Website and making hard copies available for purchase at all Client Service Centres. If portions of the manual cannot be issued publicly because certain criteria are those of other agencies, the manual should be issued with the City-only criteria immediately; a full manual with agency criteria should be issued within a specified timeframe.

Management Response

Management agrees with this recommendation.

PTE agrees that providing all potential proponents with access to the Matrix of Required Studies and Assessments will provide up-front guidance on the City's expectations. PTE will consult with CSPI and ITS to make documents more prominent on ottawa.ca.

Due to ongoing changes to these documents, and the need to ensure updated information is available on ottawa.ca, additional staff resources will be required. Resources are estimated to cost \$70,000 and are subject to budget approval in the 2009 Budget. This is tied to recommendations 4 and 17.

Recommendation 19

That Planning and Infrastructure Approvals Branch implement mandatory pre-consultation requirements through Planning Act provisions.

⁸ The suggestion to fast-track innovative or 'good' development is viewed as being problematic / unnecessary, and it is therefore not discussed further.

Management Response

Management agrees in principle with this recommendation.

The implementation of mandatory pre-consultation requires an Official Plan amendment. PTE will review the concept of mandatory pre-consultation in the context of the Official Plan review and will bring recommendations forward for Committee and Council consideration in Q4 2008.

Recommendation 20

That City staff conduct a DRP workshop with Hydro Ottawa to identify turnaround time reduction and process re-engineering opportunities.

Management Response

Management agrees with this recommendation.

Consultation between Hydro Ottawa, Hydro One and the development industry has been identified on the PTE work plan for 2008. Through this consultation, turnaround times and process engineering opportunities will be reviewed. This consultation and any related changes are targeted for completion by Q4 2008.

Recommendation 21

That Planning and Infrastructure Approvals Branch advise clients of the name of the Project Chief responsible on DRP files in the letter deeming the application complete.

Management Response

Management agrees with this recommendation.

PTE has a process in place to advise clients of the assigned planner responsible for the file. Existing protocols will be reviewed and revised by Q2 2008 to ensure that copies of the letters sent to the clients are placed on file.

4.3.3 Equitable Treatment of Applicants in DRP

In many major urban centres, there is the notion that applications filed by “individual applicants” – such as property owners or small business owners – are handled differently in DRP than the applications filed by major development corporations. A summary of the potential pre-conceptions regarding how individual proponents might be handled is provided below.

Table 15 – Potential Pre-Conceptions for Handling Individual Applicant’s Files

Pre-Conceptions for Handling Individual Applicant’s Files		
DRP component	Ways in which individual applicants could receive preferential treatment	Ways in which individual applicants could receive unresponsive treatment
Process & compliance	<ul style="list-style-type: none"> ▪ Willingness of Staff to “help out” an individual applicant since applicant is unfamiliar with process ▪ Willingness of Staff to “bend the rules” since individual applicant is not as sophisticated as major developer 	<ul style="list-style-type: none"> ▪ Staff not willing to take the time to explain complex planning process
Timeliness / bottlenecks	<ul style="list-style-type: none"> ▪ Willingness of Staff to proceed ahead with the process because the proposed development is small or believed to have minimal impact, even though comments on technical matters are outstanding 	<ul style="list-style-type: none"> ▪ Staff giving an unfair priority to processing larger-scale developments, so Staff are less likely to move individual’s application through the system ▪ Individual applicants could be less likely to follow up on progress, so Staff are less likely to move application through the system
Approval authority(1)	<ul style="list-style-type: none"> ▪ Willingness of a political representative to support an individual application in their ward because there is general public acceptance 	<ul style="list-style-type: none"> ▪ Lack of willingness of a political representative to support an individual application in their ward with some/significant public concern, even though the application has planning merit
Notes: (1) Although a major developer may experience similar circumstances, the situation is slightly different because the individual applicant is a resident within a councillor’s ward, whereas a development corporation is not a resident		

A review of 10 randomly selected files from the City’s last two years of applications most commonly filed by individual proponents -- Zoning By-law Amendment and Site Plan Applications – was undertaken to assess whether this situation is occurring in Ottawa.

4.3.3.1 Summary of Sample of Individual Applications

Table 16 – Summary of Sample of Individual Applications

Z-Zoning SP-Site Plan	Individual Applicant Audit Files										Performance
	Z1	Z2	Z3	Z4	Z5	SP1	SP2	SP3	SP4	SP5	
Application suitable for planning matter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100% apps. were suitable
Days accountable to applicant for delay	0	0	0	0	0	0	15	0	0	31	4.6 avg. days accountable to applicant for delay
Net processing time (working days)	93	85	103	51	87	33	56	91	37	N/A	70.6 avg. days
Approval granted by “on-time decision date”?	No	Yes	No	Yes	No	Yes	No	No	No	N/A	33% (3 of 9) on-time
				(1)		(2)	(3)	(4)	(5)	(6)	
Notes: (1) Although public concerns were raised, the application was approved before the on-time decision date (2) Conversion to a restaurant (3) Package required revisions (4) Conflict with utilities (5) Restaurant expansion (6) Application triggered by MTO; application deemed inadequate; application still in progress											

4.3.3.2 Process and Compliance

We observed that there was no demonstrated preferential treatment or demonstrated lack of fair treatment offered to individual development proponents. The documentation in the files confirmed that all proponents filed appropriate applications for the planning matters requiring approval. All the applications involving a change of land use permission were dealt with as re-zonings (rather than as variances, which are substantially less expensive and are generally considered a more user-friendly process). We also observed that all Site Plan Applications met the expected requirements for a full application. Our review of the one Site Plan file which was deemed inadequate confirms that staff was justified in deeming the application inadequate.

4.3.3.3 Timeliness/“Bottlenecks”

We observed that there was no demonstrated preferential treatment or demonstrated lack of fair treatment offered to individual development proponents. The average net number of working days to process the site plans and re-zonings was 70.6 days which does not seem unusual based on our experience with the timelines observed in the original 10 bundles. Separate evaluation of the processing timelines for the re-zonings and the site plans, identifies an average period of 83.8 days and 54.3 days, respectively. Again, these time periods do not appear unusual based on our experience with the timelines observed in the original 10 bundles. It was further observed that although public concern was raised in one of the zoning files – which customarily results in extended processing timelines due to additional consultation – the City was able to issue an approval *before* the on-time decision date.

4.3.3.4 Approval Authority

We observed that there was no demonstrated preferential treatment or demonstrated lack of fair treatment offered to individual development proponents. The documentation in the files confirmed that all proponents were subject to the appropriate approval authority – delegated authority or Committee/Council – as appropriate for the nature of the planning matter being addressed. There furthermore did not appear to be any lesser standards to conditions of approvals or any onerous conditions for the approvals being sought.

However, we have observed that Council is requiring Site Plan Approval for restaurant conversions and we question the powers prescribed to Council under the Planning Act to do so. The Site Plan By-law 2002-04, as amended, requires that conversions of use to restaurant be subject to site plan control, even if the conversion does not involve altering the building envelope or making changes to the parking area (two considerations in the degree of utilization of the lands). If the restaurant is not a permitted use in the Zoning By-law, the test for appropriateness of the conversion to a restaurant use would be through a Zoning By-law Amendment application. If the restaurant is a permitted use, the owner has as-of-right status to use the lands for a restaurant, subject to meeting the Building Code, Fire Code, etc. Site Plan deals with

matters defined as “development” in Section 41 of the Planning Act, and the conversion of a use to a restaurant (with no expansion of the building envelope, increase in floor area, or change to parking) is a gray area which may not qualify as “substantially increasing the size or usability thereof” in the Act.

As part of Planning and Environment Committee’s (September 28, 2004) discussions on implementing the “On Time Review” changes, a motion was put forward and carried which made the restaurant use conversion subject to a Site Plan. The minutes of the meeting state that staff “did not have a problem with the motion.”

The matter requires a legal opinion to validate any concerns. We recommend that the City’s Legal staff review the interpretation of the Site Plan provisions of the Planning Act as it relates to restaurant conversions. If the matter is a confirmed issue, Legal staff would be expected to recommend that the Site Plan By-law be revised to align with prevailing law.

Recommendation 22

That Planning and Infrastructure Approvals Branch and the Legal Services Branch review and if appropriate, consider amending the Site Plan By-law to exempt conversions to restaurant from Site Plan control.

Management Response

Management agrees with this recommendation.

Planning and Legal Services will review and consider amending the Site Plan Control By-law to exempt conversions to restaurant from site plan control, and if appropriate, will bring forward a report to Committee and Council to change the Site Plan By-law by Q4 2008.

4.3.4 City Early Servicing Agreement

After Draft Plan approval, the typical Ontario DRP green field subdivision process is sequential. The City of Ottawa “official” DRP process is also a sequential process:

- A development agreement with conditions around service scheduling, inspection authority and financial securities is prepared. Registration is the “trigger” for service scheduling provisions dealing with water, sewer and roads construction activities;
- A composite utility plan is prepared;
- Subdivision is registered and legal lots are created;
- Financial securities are collected at registration;

- The City provides broad oversight during “dry” services construction by developer (water and sewer);
- The City provides on-site inspection of “wet” service hook-ups for water and sewer;
- Building permits are issued and OBCA inspections are executed; and,
- Preliminary/full occupancy is granted.

However, the large majority of subdivision driven development in Ottawa is executed via a revised DRP process under the early servicing agreement regime:

- While the subdivider development agreement is being negotiated/prepared by the City (prior to registration), the developer can proceed with dry service construction and wet service inspections and hook-ups;
- While the development agreement is being negotiated/prepared, OBCA conditional building permits are issued, house construction can proceed, and the majority of OBCA inspections can be executed...final occupancy is granted after registration; and,
- A \$50,000 security must be provided by the developer.

The ESA regime transforms a largely sequential process into an overlapping process where servicing inspection and oversight provided by Public Works and Services and OBCA review are largely completed prior to the Planning Act process being completed at registration. The result is a “just in time” system of conditional building permits and final occupancy approvals immediately following registration. A diagrammatic representation of both processes has been provided to management. The ESA regime provides significant benefits to the development community. For a minor \$50,000 security, millions of dollars of water and sewer infrastructure can be constructed and inspected while the development agreement conditions are being negotiated and finalized. None of the servicing scheduling timeframes contained in the standard City development agreement apply because there is no development agreement in place at the time of servicing. The substantial securities in the development agreement are not due until registration – at which point the City typically does not collect them because most of the work associated with the securities has already been completed. However, critical flow testing of installed works has typically not been completed when securities have been waived at registration.

The ESA promotes a “just in time” supply of permit approved, constructed and occupancy approved housing shortly after lot registration. The complex overlapping of the Planning, servicing oversight and OBCA components of DRP provides significant benefits to developers from a cash flow and turnaround time perspective. It may also provide a continuing stimulus to the local real estate economy.

However, the City is courting significant reputational and financial risk throughout the process as it is currently configured. The fundamental source of risk for the City is the disconnect between the development agreement (reflecting a sequential set of controls and risk mitigation tools triggered by registration), and an ESA regime that permits the bulk of servicing work and building permit issuance to proceed without risk mitigation tools in place. Reputational risk for the City is being driven by the reality that ESA provides occupied housing in unfinished subdivisions much earlier in the construction process than the sequential DRP model found in other Ontario jurisdictions. Combined with the absence of development agreement timing deadlines for amenities (streetlights, sod and sidewalks), resident dissatisfaction with the pace of completion in these subdivisions is actually amplified under the ESA regime. Councillors interviewed during this audit repeatedly requested the City react to this resident dissatisfaction with DRP improvements.

The standard development agreement provides a broad set of tools/powers for Public Works and Services staff to utilize as required during their oversight and inspection process. Under ESA, these tools are not available because the development agreement has not yet come into force. The service scheduling provisions (i.e., deadlines) in the standard development agreement are all tied to registration as the initial trigger. The servicing work is largely completed prior to registration, rendering the service scheduling deadlines meaningless.

Most seriously, no meaningful financial securities are in place during the ESA regime should a developer be unable or unwilling to complete satisfactory servicing of a site. The City could be left to remediate a partially serviced site or upgrade poorly constructed infrastructure entirely at taxpayer expense. This risk is magnified in the event of an insolvent developer midway through the construction process.

Management could consider the following options to restructure the early servicing agreements:

- **Option 1:** Discontinue the ESA regime for all new subdivision applications.
- **Option 2:** Increase the ESA security payable by the applicant. A sliding scale beginning at a minimum of \$500,000 and increasing in value by dollar increments based on total subdivision lot counts may be appropriate. Amend the ESA to include a servicing schedule of deadlines identical to the schedule contained in the standard development agreement, but tied to the ESA agreement date instead of registration date. Include other key “powers to compel” clauses from the standard agreement.
- **Option 3:** In addition to Option 2 amendments, hold all securities due at registration for three months until all flow control and other relevant servicing tests have been completed to the satisfaction of Public Works and Services staff.

Option 3 is recommended. It retains the overlap generated timeframe efficiencies of the current ESA regime, while mitigating much of the financial risk. It also provides Public Works and Services staff with service schedule and “power to compel” tools required to provide more diligent oversight.

Recommendation 23

That the City restructure the Early Servicing Agreement regime as directed in the audit, in order to mitigate financial risk while retaining legally compliant timeframe efficiencies.

Management Response

Management agrees with this recommendation.

A review of the Early Servicing Agreements process (ESAs) will be initiated with all internal/external stakeholders in conjunction with the review of the subdivision standard development agreements and conditions (see recommendations 8, 9, and 10). Any resulting changes will be brought to Committee and Council for consideration in Q1 2009.

4.3.5 Application Processing Effort Benchmarking

Overall City performance in executing the DRP application review processes is a function of:

- Timeliness; and,
- Optimal deployment of required staff processing effort (efficiency).

Timeliness aspects of performance have been reviewed elsewhere - i.e., within the specific file audit component of the audit.

In order to assess the City’s deployment of application processing staff effort (i.e., efficiency), the following approach has been utilized:

- Six DRP Planning Act application categories have been selected for detailed review (i.e., Subdivision, two site plan categories, two Rezoning categories, condominium);
- Application processing activity maps and data templates have been created to collect staff processing effort estimates from all involved City business units/positions for an average application in each of the six categories;
- “Single run” application processing effort estimates have been collected from all involved City business units/staff positions;
- A blended four municipality processing effort benchmark has been developed by the audit team for purposes of peer comparison and analysis. The peer

benchmark has been crafted to reflect an “apples to apples” blend of volumes, scale economies and infill/green field activity; and,

- Analysis of the peer benchmark and City data has been undertaken and recommendations have been developed.

The following Table sets out the City’s processing effort as submitted by City staff in a survey template compared to the peer benchmark. Processing effort in some categories (from non-core business units) have not been included in the analysis, and subsequent benchmarking cycles could review this effort in greater detail. The City is currently deploying greater processing effort than the benchmark for subdivision (16% more effort) and condominium applications (30% more effort). The City is currently deploying less effort for rezoning (54%-55% less effort) and some site plan applications (13% less effort). Other site plans (requiring full public consultation) are being processed with very similar effort to the peer benchmark.

In total, the City is processing 2,094 hours of staff processing effort across the six application categories (one-time processing effort). The four municipality benchmark expends 2,622 hours of staff processing effort across the same application categories. From an efficiency perspective this represents an overall efficiency dividend of approximately 500 processing hours – or 20% compared to the benchmark.

Table 17 - Ottawa Capacity Analysis

Ottawa Capacity Analysis						
One-Time Processing Effort (Hours)						
Assorted DRP Application Categories	Sub-division	Site Plan (Consultation)	Site Plan (No Consultation)	Re-Zoning Infill	Rezoning Major	Condominium (Standard)
	PIA	598	152	105	200	164
PEIP	24	15		8	7	4
TPO	4	7	7	6	6	40
PW	11	8	8	-	-	-
Parks	97	35	15	25	20	-
Legal	22	19	19	25	3	7
Coaching/Oversight Adjustment	151	47	31	53	40	27
Total Processing Hours	907	283	185	317	240	162
Peer Comparators						
4 Municipality Peer Average <i>(Toronto, Brampton, Mississauga, Vaughan)</i>	779	283	212	702	522	124
% Variation: Ottawa from Benchmark	-17%	0%	13%	55%	54%	-30%

The underlying detailed business process variations among the City and the four peer benchmark municipalities are beyond the scope of this audit.

However, it should be noted that the subdivision process is the critical application category for green field development applications. The 17% variation in deployed City

effort above the benchmark needs to be placed in the context of the overall timeline performance of the early servicing regime that creates occupied residential housing significantly earlier in the DRP than is the case among most Ontario growth municipalities.

There is a possibility that the significant City efficiency “dividend” evident in the rezoning application processing categories (versus the benchmarks) reflects a differing level of due diligence on these applications as opposed to superior business processes. Future review of re-zoning process issues/streamlining should consider this possibility.

Recommendation 24

The City should implement periodic staff processing effort tracking against selected sample applications within the six benchmarked categories. Staff processing effort trends should be documented over time, and comparisons against peer municipalities should be initiated. This processing efficiency data should be integrated into an annual DRP balanced scorecard tool (i.e., results based performance measurement) and utilized to set business plan performance targets for DRP. The balanced scorecard and business plan should also address turnaround times for Planning Act applications and compliance based inspection coverage for development agreements.

Management Response

Management agrees with this recommendation.

PTE will consult with ITS to develop and implement a system for periodic staff processing effort tracking to include all core components of the DRP. Timelines will be identified following consultation with ITS. PTE will work with internal stakeholders to integrate this processing efficiency data, along with turnaround times for Planning Act applications and development agreements inspection compliance, into a results-based performance measurement tool that will be used to set business plan performance targets for DRP.

It should be noted that during our factual review of the audit report, the department identified to the auditor, errors that exist in the table entitled “Ottawa Capacity Analysis”. The table does not recognize processing effort by PWS staff for both Major Rezoning and Infill Rezoning applications. For these application types, PWS staff undertakes capacity research to determine whether the infrastructure system can accommodate the proposed zoning request. Management believes this level of effort should be reflected in the table.

4.3.6 Staff Capacity Utilization and Organization Design

Organization design changes consistent with a “one window” approach to DRP are being forcefully advocated by the Ottawa development community and considered by management. A number of external consulting firms have been retained by Planning

and Infrastructure Branch and Public Works and Services to address the benefits of “one window” versus the current multi-business unit dispersed DRP model.

The staff capacity utilization analysis in this audit (of Planning Act DRP) provides evidence based analysis regarding recommendations around organization design.

Therefore, our capacity observations and organization design recommendations have been integrated for reporting purposes.

In order to construct a snapshot of staff capacity utilization within Planning Act DRP, staff effort estimates for processing average Planning Act applications have been applied to historical application volumes. The resulting annual processing hour total for each involved staff position has been expressed as a percentage of available capacity to do work. Presumably, business units with high capacity utilization in DRP are eligible candidates for integration into a potential one window organization framework centred in an expanded Planning and Infrastructure Branch.

The highlights of the detailed capacity utilization analysis are as follows:

Table 18 – Detailed Capacity Utilization Analysis

DRP BUSINESS UNIT	PLANNING ACT DRP CAPACITY UTILIZATION SUMMARY FINDINGS
<i>PIA</i>	HEAVILY UTILIZED PLANNING AND ENGINEERING STAFF...APPROACHING 100% UTILIZATION AT EXISTING APPLICATION VOLUME LEVELS...MAJORITY OF PROCESSING HOURS IN SUBDIVISION, SITE PLAN AND REZONING APPLICATION CATEGORIES
<i>PARKS</i>	PARKS PLANNING STAFF HEAVILY UTILIZED BY DRP SUBDIVISION, SITE PLAN AND REZONING APPLICATIONS...EQUIVALENT OF 7-9 FTE OF PROCESSING EFFORT IN DRP FROM AN ESTIMATED 15 POLICY AND PLANNING FTE...OCCURS FOR SUBSETS OF VOLUMES IN VARIOUS CATEGORIES
<i>LEGAL</i>	LEGAL STAFF HEAVILY UTILIZED COMMENTING ON DRP APPLICATIONS...EQUIVALENT OF 6-8 FTE OF DRP PROCESSING EFFORT FROM AN ESTIMATED 15 CLERK/LAWYER FTE
<i>TPO</i>	TPO STAFF LIGHTLY UTILIZED COMMENTING ON PLANNING ACT DRP APPLICATIONS...EQUIVALENT OF 2-3 FTE DISPERSED ACROSS LARGE NUMBER OF COMMENTING STAFF...MAJORITY OF EFFORT ASSOCIATED WITH OPERATIONS AND BACK-END POST-PLANNING ACT DRP...POTENTIAL REDUNDANT EFFORT AFTER PIA SUPPLIES CONSTRUCTION COMMENCEMENT/APPROVAL ORDER
<i>INFRASTRUCTURE SERVICES</i>	CONSTRUCTION SERVICES (DEVELOPMENT) TEAM OF APPROXIMATELY 30 INSPECTORS ARE 100% UTILIZED BY HIGH VOLUMES OF SERVICING AND HOOK-UP INSPECTIONS REQUIRED UNDER PLANNING ACT DEVELOPMENT AGREEMENTS (1,700 ACTIVE AGREEMENTS)...EXISTING LEVEL OF STAFF UTILIZATION DOES NOT INCLUDE ENFORCEMENT OF NEW STREETLIGHT/SIDEWALK TIMING CONDITIONS RECOMMENDED IN THIS AUDIT

4.3.6.1 One Window Organization Design

The audit has identified numerous performance issues with the complex horizontal DRP service channel:

- Geographic separation of core business units in different buildings;
- Process bottlenecks associated with external agencies;
- Technology gaps associated with tracking development agreement inspection activity;
- Inadequate cost recovery via Planning and Engineering fees, resulting in an ongoing multi-million dollar property tax subsidy to development applicants by existing taxpayers; and,
- Processing timeline performance that fails to meet City standards for both experienced developers and small one-time public applicants.

Recommendations to address these performance issues have been put forward elsewhere in the audit. One window organization re-design will not solve these issues alone.

However, it is clear from both staff and developer interviews (subjective input) and our objective file audits/analysis that the City's current dispersed approach involving multiple business units from across departments is performing at sub-optimal levels. The sub-optimal performance of the dispersed responsibility model is further eroded by universally reported political intervention in the DRP. There is a widely held subjective viewpoint among DRP participants that Ward Councillor intervention in technical matters delegated to staff are contributing to the sub-optimal performance documented in our file audit analysis.

Dispute resolution among the involved City business units (e.g., around technical engineering requirements and servicing issues supposedly made self evident via published engineering standards) is not occurring in a timely fashion.

The problem of multiple/redundant technical perspectives failing to be integrated in a timely fashion has been universally acknowledged by City staff, City developers and outside management consultants commissioned to review DRP. The overwhelming sentiment (confirmed by our evidence based file audits) is that the "file" is not being decisively managed by an empowered "Chief" from Planning and Infrastructure Approvals Branch, and that there is no team-based continuity across the life of the file.

We are of the view that a "one window" organization design model, in combination with other audit recommendations, improves the probability of DRP achieving turnaround time performance standards already set in place. The objective staff capacity utilization findings inform our views in this regard. There is a sufficient "critical mass" of involvement in DRP from Legal, Parks and Development Services (Public Works and Services) to justify a consolidated organization model, as opposed to the current dispersed model.

The current dispersed responsibility model is not performing optimally because of ward based political intervention, technology gaps/shortcomings, geographic separation of business units, and inefficient technical review processes featuring unclear dispute resolution procedures. A complex, technical horizontal DRP process is being executed by a multitude of vertical City Business Unit silos reporting to more than one Deputy City Manager.

A failure to resolve the inherent performance problems of a dispersed vertical organization managing a horizontal DRP will dilute and perhaps negate the impact of performance improvement recommendations offered across other components of this audit.

Failure to implement a “one window” organization model also exposes the City to public reputation risk associated with not following through on commitments made in this matter.

The implementation of “one window” should be done using cross-disciplinary staff teams. These cross-disciplinary teams will operate out of the Planning and Infrastructure Approvals Branch and will ideally be housed together at a single location. PIA managers will assign and manage application “caseloads” across the teams and across geographic zones to ensure optimal utilization. PIA managers will act as champions for the teams - coaching, problem solving, and expediting process problems. Managers will measure and benchmark performance across the teams, and ensure emulation of best practices.

Each team will be lead by a “Chief” who will be exclusively accountable for team performance, and for the resolution of differing technical perspectives within the teams. Team members will report directly to the Chief on all DRP issues associated with the file. The Chief will be trained in leadership, logistics management and results based performance measurement. The Chief may come from an engineering or planning discipline/background within PIA - the key performance criteria/competency is excellence in leadership and accountable project/process management. In short, the Chief will be empowered to have exclusive responsibility for carriage of the file from intake to closure.

All teams will feature permanent resources/competencies reflecting the following disciplines: planning, engineering servicing/stormwater design approvals, engineering transportation design approvals, engineering servicing/transportation/amenities inspections, and legal support. Parks planning resources will be assigned to the team as required on an application specific basis. Treatment of Parks planning technical perspectives (affecting turnaround time for files) will be under the purview of the Chief. If the teams are properly configured, redundant technical perspectives from staff located outside the teams will not be required, and should be deleted from the DRP process.

Our staff capacity utilization analysis documents the reality that existing staff “critical mass” for DRP processing needs to be in sourced into PIA to staff the proposed teams. Development Law staff resources from Legal Services and a range of engineering staff from Infrastructure Services (e.g., 100% of Construction Services - Development) should be permanently redeployed to PIA. No opinion is offered on the permanent redeployment of Parks planning staff. Our capacity utilization analysis did not review all groups within Public Works and Services that may be candidates for incorporation into PIA; for example, within Infrastructure Services, such functions as Water Resources and Utility Development Coordination should be considered. In addition, other groups of Traffic and Parking Operations Branch that should be considered are Streetlighting,

Design Review and Implementation, and By-law Permits and Inspections. Further analysis by City senior management during the transition is warranted to determine which groups are transferred to PIA.

The City should only accept high quality servicing solutions from developers that meet its official, publically communicated engineering standards. To ensure that asset life-cycle based service standards are not unduly compromised by turnaround time performance considerations within the team, PIA Branch management will prepare an annual performance report that includes a professional “certification” by the senior engineering staffer that all City engineering standards have been fully achieved (not compromised) on all approved projects. If technical engineering concerns exist beyond current standards, then revisions to standards should be forthcoming and made public.

Recommendation 25

That cross-disciplinary staff teams should be created to manage applications from “cradle to grave” across both its Planning Act and development agreement condition compliance (i.e., servicing and amenities) stages.

Management Response

Management agrees with this recommendation.

Management will create cross-disciplinary staff teams to manage applications from “cradle to grave”, for implementation by Q4 2008.

5 TEST OF NON-SAMPLE FILES

Fifteen DRP files were identified by Councillors in their feedback during interviews which were conducted in support of this audit. These files are those which Councillors recall as being of potential concern through their own direct experience or from constituent feedback. The results in Section 4 of this report reflect the findings from the files which were specifically sought from the City's records, rather than the randomly sampled files evaluated in Section 3 of this report.

The audit criteria (as applicable to the individual files) included: timing of DRP activities; general planning due diligence; and, timely asset inspection activities.

The methodologies used to evaluate these files are the same methodologies used for the evaluation of files discussed in Section 3 of this report. The subject files were:

- Subdivision and Site Plan for 74 and 310 Stonehaven Drive
- Subdivision and Site Plan at 1119 Walkley Road
- Subdivision at Carp Airport (1500 Thomas Argue Road)
- Site Plan for housing co-op at 750 March Road
- Rezoning for 18 storey building at 1002 St. Laurent Blvd.
- Site Plan for Hyde Park development (6143 Perth Street)
- Subdivision for 1107 Prince of Wales Drive
- Site Plan for a church hall at 325 Sandhill Road
- Site Plan for dealership at Palladium auto mall (2500 Palladium Drive)
- Subdivision for Klondike Road, Phase 13 (835 March Road)
- Subdivision in Riverside South (4500 Limebank Road)
- Subdivision for Moffatt Farm (1709 Prince of Wales Drive)
- Site Plan for 2770 Carp Road
- Zoning By-law Amendment at 100-136 Central Park
- Subdivision for Rockcliffe Mews (840 Montreal Road)

5.1 *Timing of DRP activities*

As discussed more fully in other aspects of this audit, the timing of DRP activities is important to meeting many City objectives regarding growth and helps sustain economic development. A summary of the relevant files where timing was raised as a potential concern is provided below.

Table 19: Timing of DRP

	Timing of DRP								Performance
	1	2	3	4	5	6	7	8	
Days accountable to applicant for delay	31	112	218	42	0	209	0	See note below	87 avg. days accountable to applicant for delay
Net processing time (working days)	67	93	369	226	117	385	n/a	359	202 avg. working days
						(1)	(2,3)	(4)	
Notes: (1) This development was approved in stages; this is the application for the second stage, dealt with as a revision to the original (2) Application still in process (3) Significant consultation has been conducted on the part of the proponent before submitting the application (4) Delays arising from additional consultation were not able to be determined									

We have observed that applicants have been responsible for some substantial delays in the processing of their file (e.g., servicing issues, filing premature applications, etc.). We have also observed that the City has spent substantial time in processing these applications.

5.2 General Planning

“General planning diligence” refers to matters where the advice of staff, the validity of staff’s position, or staff’s response to an issue is appropriate. The City, in fulfilling its development control responsibilities, must ensure that staff act in the interest of the public at-large and protect the City from undue risks. A summary of the relevant files where general planning diligence was raised as a potential concern is provided below.

Table 20 –Planning Diligence

	Planning Diligence							Performance
	1	2	3	4	5	6	7	
Issue	Public concern	Servicing	Road widening	Height	Retail sq.ft.	Traffic	Height, traffic	
Status	Approved	Approved	Approved	OMB appeal	OMB appeal	In-process	OMB appeal	
Diligence test	More than minimum consultation conducted	Study requirements	City/ Provincial requirements	Result of Board decision	Result of Board decision	Study requirements	Result of Board decision	
Result	2 non-statutory public consultation sessions held	City required consulting engineer’s study and stamped drawings	City required an EA for the road widening	n/a – no decision issued	In favour of applicant	City requiring further study	n/a – no decision issued	“Greater than 80%” (4 of 5) See note (1) and discussion
					(1)		(2)	
Notes: (1) The City has no on-staff market analyst to counter the market study of the proponent (2) Two separate DRP files were reviewed as one								

We have observed that the City has been diligent in greater than 80% of the situations assessed. Of the situations reviewed, two of them have been appealed to the Ontario Municipal Board. Of the remaining cases, we believe that the City has acted with diligence in terms of addressing consultation, EA requirements and ensuring that engineering evaluations were completed to certain standards.

5.3 Asset Inspection Activities

As discussed more fully in other aspects of this audit, asset inspection is important to managing the City's risk involved with matters such as infrastructure and ensuring that amenities are provided. A summary of the relevant files where asset inspection was raised as a potential concern is provided below.

Table 21 – Asset Inspection

	Asset Inspection				Performance
	1	2	3	4	
Issue	Park	Not specific	Park amenities	Fencing	
Sufficient agreement clauses?	Yes	Yes	Yes	Yes	100% sufficient
Record of work completed?	Could not find	(2)	Could not find	Yes	Inconclusive
Record of work inspected?	Could not find (1)	(2)	Could not find	Could not find	Inconclusive
Notes: (1) Pre-dates amalgamation; relevance is questionable (2) Refer to discussion re: quality of building					

We have observed that the agreement clauses were sufficient but were not able to find conclusive evidence substantiating issues with work being completed / work being inspected. The clauses in the Development Agreements were specific enough to identify the asset(s) in question and provided sufficient details on the timing of assets (e.g., "prior to issuance of a building permit"). Of the files reviewed, we found only one reference regarding a record of fencing work being undertaken and were not able to locate other records regarding the assets. In one of the files reviewed, there appeared to be significant owner dissatisfaction with the quality of the new-construction units. We subsequently found correspondence from the Chief Building Official indicating that certain owner issues with construction quality were not related to the Ontario Building Code. There is a potential that this issue with non-Building Code matters may have been misinterpreted as an issue with asset provision/inspection.

5.4 General Assessment of Sample Files

Similar issues were noted in both this sample and the general sample, therefore previous recommendations should address these matters.

6 CONCLUSION

The DRP is a core "mission critical" service delivered by the City. It is horizontal in nature - involving multiple dispersed business units and hundreds of City staff. It

represents a complex blend of logistics, information technology, and accountability challenges for the City.

The audit has identified a significant number of service delivery improvement opportunities, a summary of which follows:

- DRP cost recovery performance can be improved to eliminate an existing property tax subsidy of at least \$4.3 million;
- Sub-standard application turnaround times can be improved by the adoption of multiple service delivery process re-engineering “fixes” and the creation of a “one window” consolidated DRP organization model. This consolidated organization model will feature cross-disciplinary teams lead by an empowered and accountable Project Chief;
- Legal compliance and financial risk management issues can be effectively addressed by restructuring the City’s Early Servicing Agreement regime – without sacrificing appropriate timeframe savings;
- Recommended adoption of benchmarking, performance measurement and target driven business planning toolkits will improve accountability and performance. They will also document instances of existing excellence in service delivery.

The audit has concluded that overall, the DRP is performing sub-optimally. The reasons for its sub-optimal performance are numerous and varied – we have attempted to provide an evidence based documentation of these performance issues and underlying causes. While DRP is performing sub-optimally as a system, numerous participants within the system are performing appropriately. Timely implementation of our recommendations can play a positive “change management” role in building a more responsive, accountable and measurement driven “best practices” DRP model.

7 ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.