

Report to Planning and Environment Committee

To: Chair and Members
Planning & Environment Committee
From: G. Kotsifas, P. Eng
Managing Director, Development & Compliance Services &
Chief Building Official
Subject: Living in New Neighbourhoods and Unassumed Subdivisions
Meeting on: May 28, 2018

Recommendation

That, on the recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, the following actions be taken with respect to recommended actions to ensure improved communication, engagement, enforcement and compliance in unassumed subdivisions:

- (a) the proposed strategy for proactive City enforcement, communication and engagement with homeowners, builders and developers in new subdivisions BE ENDORSED, including:
- i. Pre-Strategy Action – Hire “Ambassador” position
 - ii. Phase 1 – Fees, Customer Service and Streamlining
 - iii. Phase 2 – Build Performance and Resources
 - iv. Phase 3 – Improve Regulatory Framework and Process
 - v. Phase 4 – Continuous Improvement

Executive Summary

Summary of Request

On September 5, 2017, Council directed staff to develop a strategy to improve enforcement and compliance in new subdivisions to resolve typical complaints from homeowners living in these unassumed developments.

Purpose and the Effect of Recommended Action

The Development and Compliance Services (DCS) proposed strategy identifies methods for connecting home owners to City resources related to living in a new subdivision and home ownership. It will also identify the appropriate City contacts for when homeowners need assistance including recommended enhancements for compliance and enforcement matters in new developments that have not had their parks, pipes and roads assumed by the City.

Analysis

1.0 Council Direction

On September 5, 2017, Council directed staff to develop a strategy, based on the following:

That the Managing Director, Development and Compliance Services and Chief Building Official BE DIRECTED to report back to the Planning and Environment Committee with respect to recommended changes to our current subdivision and development agreements and enforcement processes to ensure compliance:

- a) *a plan to better meet the needs of residents living in developing and unassumed subdivisions with enhancements to the process for submitting development and property standards complaints/issues/concerns (including better communication with residents);*
- b) *measures to move to a more proactive model of enforcement of common and reoccurring subdivision agreement and property standards concerns from residents in and near developing areas;*
- c) *suggestions for any new wording in standard subdivision and development agreements that would support a) and b) above*
- d) *a strategy to address the significant increased demand for building permit processing and building/development inspections; and,*
- e) *the costs related to a), b), c) and d) above, and suggested sources of financing.*

2.0 Key Issue to Resolve: Improve our Level of Customer Service

The goal of Development Services' (DS) proposed strategy (Section 4.0) is to improve customer interaction by making process improvements, allocating resources more effectively, growing our outreach strategies and finding ways to “close the loop” when the work is completed. To achieve these outcomes, DS has developed the strategy around four main components:

Performance Tracking

DS has identified the tracking of the applications throughout the development process as a key priority. By effectively monitoring the status of complaints, securities, subdivision reviews and the City's response to these issues, DS can begin to put process improvements in place that close gaps in service. Further, DS intends to report the performance measures to Council on an annual basis so discussions about resources and/or effectiveness can engage with a broader audience.

Outreach and Customer Interactions

There is some confusion in the general public about how and where to request services from the City during the build-out phase of the subdivision. Additionally, there are a number of different email addresses, phone numbers and people who interact with the residents in unassumed subdivisions when service is requested. Compounding this issue is that the City does not provide the service in some cases, and in others it does. DS would like to improve the clarity and overall level of outreach by developing proactive communication tools directed at new homeowners – which would include interaction with/through social media, contact information and Frequently Asked Questions (FAQ's).

Process Improvements

Development Services is going through a transition period and is re-evaluating the processes that exist with partners in the development community, Environmental and Engineering Services (EES), Planning Services and others. Through this review agreement conditions are being streamlined, preliminary tracking databases have been established and working groups have been coordinated. Within each of the process improvements, the principles of Lean Six Sigma are being incorporated wherever possible and “waste” is being removed. Many of the processes are long standing and were developed for a specific reason at the time may not be as relevant or required.

Resources

It is anticipated that the provision of a higher level of service as requested by Council requires additional resources. This could mean positions that are tasked with managing software interactions (either in DS or ITS), Compliance staff who are more available for follow-up on agreement issues, and/or staff dedicated to developing the outreach tools and activities in new subdivisions. Further, there are a number of existing staff who are near their retirement dates. These positions will need to be backfilled and will require significant transfer of knowledge to ensure that the development processes established continue into the future.

3.0 Action Undertaken (To Date) in Response to Council Direction

Building Division

In 2016 and 2017, the Building Division issued record levels of permits in terms of construction value for London.

To address the increased demand for building permit application intake and reviews, the Building Division hired an additional Architectural Plans Examiner on a temporary basis and temporary Customer Service Representatives to improve permit application intake, processing and review time.

Further, an internal audit of the Building Division was conducted by Deloitte in late 2017, with a focus on building permit application processing. One of the observations was related to documenting the reasons for delays in building permit issuance and “...enhancing the e-permit system to handle additional permit types”. Staff will report back to the Audit Committee in June 2018 with a detailed action plan. The Building Division is currently exploring the possibility of expanding paperless permit applications. This will allow for concurrent plan reviews by various staff (i.e. architectural, structural, mechanical, and fire protection) thus increasing efficiency in terms of permit processing times. It should be noted that this service is currently offered for limited types of work on construction projects.

With regard to building inspections in 2017, additional Building Inspectors were hired to address the increased demand and the resulting site inspection deferrals. Operational changes were implemented to utilize Property Standards Officers (also qualified as Building Inspectors) to perform inspections of smaller scale building in new buildings. This section was rebranded to Code Compliance Inspectors and an additional Code Compliance inspector was hired on a part-time basis in 2017. An additional Plumbing Inspector was hired in 2017 on a part-time basis to address the demand for plumbing inspections.

Development Compliance

As reported by the Chief Building Official, London has seen increased numbers of building permit activity in recent years. Through that time, DS has been operating in a deficit resource condition. In response to this deficit, an assessment growth business case was accepted by Council whereby two new compliance inspectors were hired. Since that time, the inspectors have been very active in the review and approvals of subdivision security reductions, assumption inspections, undertaking compliance activities (i.e. surface flooding management with the MOECC and erosion and sediment control measures with developers) and responding to public inquiries/concerns. They are providing significant value for the City by providing a higher level of service to the developers and residents, resulting in improved response times. However, there continues to be a backlog of inspection requests and related administrative activities. These positions are generally focused on responding to developer requests related to assumptions activities and do not have the capacity to develop proactive communication and outreach products or systems – which is a gap in the current service level.

Unassumed Subdivisions

DCS has an interest in improving the public’s understanding of how and where the City interacts with new developments. Most services provided in new subdivisions are outlined in the developer’s subdivision agreement and are not under care and control of the City until all the conditions can be met. This period can be as little as three years, but often exceeds seven. Most of the complaints during this phase of the development process stem from safety concerns and maintenance of local roads, which can often be attributed to the transition from Conditional Clearance (minimum level of infrastructure required for a building permit) to build-out and how a developer stages the construction of a subdivision.

In order for DS to develop corrective actions, an improved understanding of the issues and what is causing them is required. The list below outlines several examples of complaints that have been received by the City through our contractors, EES, Planning, etc.:

- Sidewalks not constructed, or sidewalks that have been constructed are not maintained;
- Street lights are not functioning or are too bright;
- There is no safe access and connectivity within school zones;
- Construction traffic not adhering to identified construction routes outlined in the subdivision agreement, resulting in cut-through traffic within new neighbourhoods;
- Location of construction trailers on development blocks that are parked next to backyards of single family homes;
- On-street parking of trades and contractors that block the road of residents living in the subdivision;
- Catch basins that flood on a regular basis;
- Dust control not addressed either from dirt and debris on the streets, or nearby dirt stock piles; and
- Understanding the City's role in garbage collection and how to deal with construction debris and litter.

The above list is not exhaustive, but highlights some of the key issues that generate public concerns. As noted previously, some of these issues are best managed by the developer during build-out, but some are issues that were addressed at the Draft Plan or Engineering Drawing review stages of the development approval – which may have occurred 2+ years prior to the house being constructed.

The frustration for a homeowner occurs when, for example, they try to determine when a piece of sidewalk will be constructed or a park will be opened. The developer has established construction staging based on the parameters in their agreement and their business plan. Often, this does not align with the resident's perception of when it should be completed. With the current resource allocation, there are two points in the build-out of a subdivision where DCS is actively involved in the quality of the work completed by the developer. The first point in the process is at Conditional Clearance when the developer can be granted a building permit if they have functioning sewers, watermains and granular road base. The second point is at assumption where a developer has requested a portion, or the entire phase, of the subdivision to be assumed by the City. The DS Compliance Technologists review the quality of the construction and issue deficiency lists to the developers for corrective action at each of these stages. The complication is that they are not responsible for the timing of the work outside of these two points in the build-out process.

4.0 Proposed Strategy for Proactive Response

The City's Strategic Plan has identified Leading in Public Service as a strategic initiative for this term of Council which DCS actively advances. Through regular stakeholder meetings and engagement, DCS has taken deliberate steps to engage with the local development industry and has made many process improvements and policy changes in order to maximize the value and service provided by our existing resources. In recent years, DCS has added several positions to increase the level of service provided, but there are still opportunities to improve the overall experience for new homeowners and our industry partners.

The proposed strategy is a phased approach leveraging existing resources as much as possible, but also includes the development of a Business Case for additional resources to be considered as part of the next Multi-Year Budget (MYB) process in 2020.

Pre-Strategy Action – complete by fall 2018

The first step in improving our overall service level, and prior to implementing an overall strategy, is to hire the remaining position identified in the “2018 Assessment Growth Business Case #12”. The Business Case identified the addition of 3 new staff of which two have already been hired in the Development Compliance area of DS. The third position will be tasked with providing a dedicated conduit, or act as an “ambassador”, for new homeowners in unassumed subdivisions. They would have a dual role in building improved customer experiences through social media monitoring, communication, process and policy enhancements and being physically available to speak with new homeowners and connect them to City staff when issues arise. The “ambassador’s” main job will be to implement the strategy outlined in this report.

Phase 1 – Fees, Customer Service and Streamlining – complete by end of 2018

i. New Homeowner Package(s)

The City’s website already includes a Homeowner Package section where information about typical activities can be found ([Search "Homeowner Information" on www.london.ca](#)). This is a great foundation to developing further digital and print material that could be made available to homeowners in Model Homes or through some other targeted mailings. Leveraging the community building activities undertaken by Neighborhood, Children and Fire Services (NCFS) or some of the City’s outreach programs run by EES would provide other opportunities to link homeowners to information about their new neighborhoods.

ii. Clarification of Roles

In the short term, an assessment of how other departments fit into the development approvals and assumption process will be undertaken. There are many different links including EES, By-Law Enforcement, Planning, NCFS, Corporate Communications, etc. Understanding how each area interacts with developer and new homeowners is key to comprehending how and where the City can improve its overall effectiveness.

iii. Development Agreement Streamlining

The City has been working closely with the development industry to review and streamline the Draft Plan Conditions and Subdivision Agreement Conditions to ensure that they are actionable and relevant. From time to time reviews of this nature are necessary to improve efficiency and effectiveness of the development approvals and build-out process. Through this project, there has been significant discussion on the enforcement and compliance components of our agreements. While this review has improved the language, a more detailed process review is required to understand how City staff across the Corporation interact and enforce the conditions in the agreements. It is anticipated that tracking interactions in the Customer Relationship Management (CRM) system will provide the opportunity to identify issues related to litter and construction debris, dust control, garbage pick-up, etc. during the course of build-out that would inform a future review of development agreement conditions.

iv. Fees and charges review – Future PEC Report

A review of Building Service and DS fees and charges has commenced with a recommendation anticipated by late Summer 2018. It is anticipated that fee increases will be proposed, providing additional revenue to improve service for residents and developers.

Phase 2 – Build Performance and Resources – complete in accordance with MYB deadlines

i. Develop performance measures

Prior to the completion of the Multi-Year Budget Business Case, DS staff will undertake a review of existing data and best practices from other municipalities and start to craft performance measures. These performance measures will help identify areas for improvement and give staff the ability to demonstrate areas that are working well and those that need to be reworked.

ii. Additional resources – Future Multi-Year Budget and/or Assessment Growth Business Case(s)

The addition of new inspectors to DCS for Building Permit inspections and development compliance has proven to be successful in delivering on the demand for service. A further review will be undertaken to assess opportunities for additional resources to assist with these activities in the future. A separate business case is also anticipated, based on the experience with the “subdivision ambassador” pilot position.

Phase 3 – Improve Regulatory Framework and Process – complete by end of 2019 (pending other departments’ ability to accommodate)

i. Leverage Customer Interaction

The City has made significant investments into Service London over the past number of years, including the development of the CRM software system. Recently, DCS staff have been in conversations with Service London staff to determine the best way to incorporate unassumed subdivisions into the CRM and leverage the tracking data and work flow that is already established. Many of the services requested by new homeowners will ultimately be provided by the City and these property owners are simply looking for ways to connect and resolve their issues.

ii. By-Law and Agreement Alignment

With additional resources and customer data available, staff will undertake a review of the bylaws that are impacted by subdivision build-out and determine where there are changes required. In some cases, the by-laws may need clarification to assist with enforcement issues or the agreement conditions may need to be reworked to close gaps where the conditions and by-laws do not intersect.

Phase 4 – Review Program – annual review

i. Continuous improvement

Following the completion of each calendar year throughout the implementation of the strategy, staff will review the work completed and take steps to make necessary changes and adjustments to match resources and market conditions of the day.

5.0 Conclusion

The following strategy has been developed in response to Council's direction from September 5, 2017 where Staff was directed to make changes to development agreements and enforcement processes to ensure compliance:

Goal:

To improve customer interaction by making process improvements, allocating resources more effectively, growing our outreach strategies and finding ways to "close the loop" when the work is completed.

Pre-Strategy Action – Hire Ambassador position

Phase 1 – Fees, Customer Service and Streamlining

1. New homeowner packages
2. Clarification of roles
3. Development agreement streamlining
4. Fees and charges review

Phase 2 – Build Performance and Resources

1. Develop performance measures
2. Additional resources (2020 MYB)

Phase 3 – Improve Regulatory Framework and Process

1. Leverage customer interaction (build work flow into CRM)
2. By-law review and alignment

Phase 4 – Continuous Improvement

1. Annual review and adjustments to the strategy to match market conditions and resident needs.

This report was compiled with the assistance of Peter Kokkoros, Deputy Chief Building Official; Heather McNeely, Manager, Development Services (Site Plans), and Orest Katolyk, Chief Municipal Law Enforcement Officer.

| | |
|-------------------------|--|
| Recommended by: | Matt Feldberg MPA, CET Manager, Development Services (Subdivisions) |
| Concurred in by: | Paul Yeoman, RPP, PLE Director, Development Services |
| Submitted by: | George Kotsifas, P.ENG Managing Director, Development and Compliance Services and Chief Building Official |

May 18, 2018

Y:\Shared\DEVELOPMENT SERVICES\4 - Subdivisions\Unassumed Subdivisions\MF - PEC - Unassumed Subdivisions - May 15, 2018.docx