



Improving the Efficiency of Planning Approvals Process: History, Impacts, and Initiatives

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2023 RESCON Housing Summit

Outline

- History: It is not a new problem/issue
- The current process: timelines and cost impacts
- Recent attempts to improve the process
- What needs to be done?

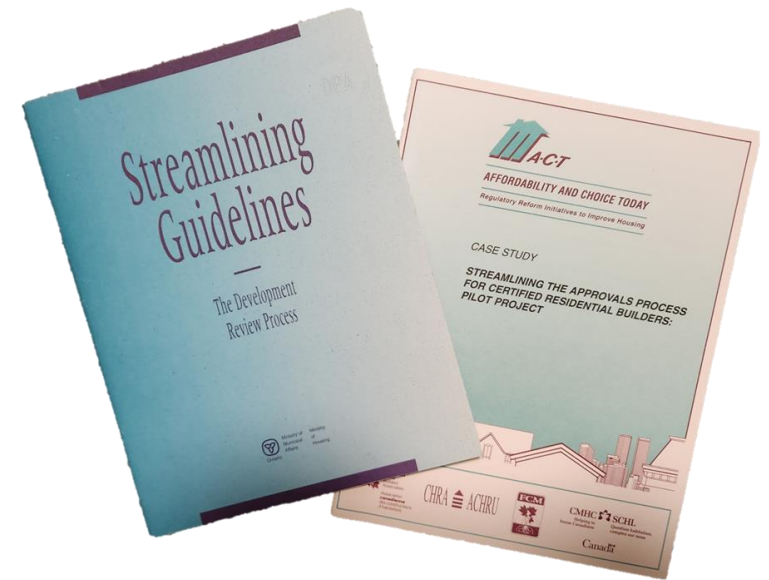
The Problem/Issue

- The Planning Approvals Process is Lengthy and Inefficient
- This leads to increased costs in terms of information/studies required, and delays in obtaining approvals
- The delays lead to a slow response in increasing housing supply and increased cost which impacts affordability in both the “for profit” and “non-profit” sectors
- This has been a persistent issue for many years in Ontario which has led to several attempts to address the problem



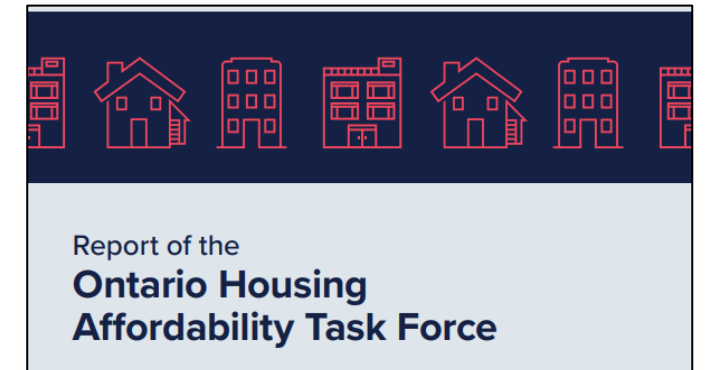
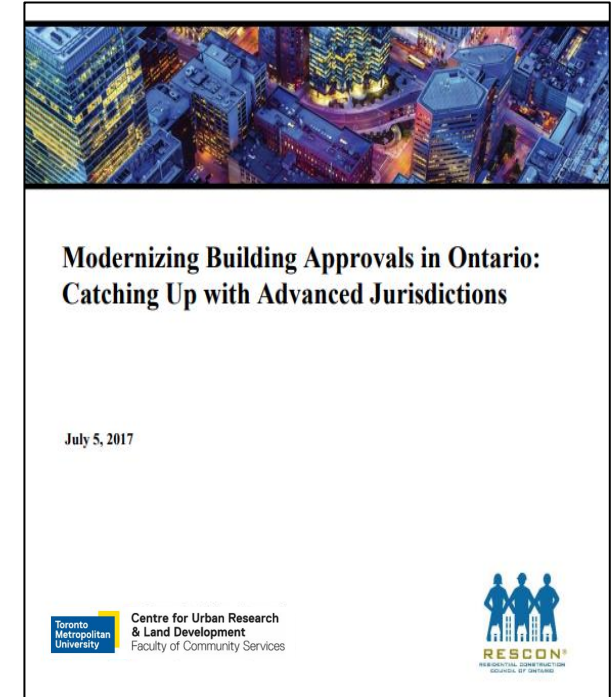
An Historical Persistent Issue

- 1970's
 - “Federal Provincial Land Price Study” (Greenspan Report, 1978)
- 1990's
 - Province of Ontario: “Streamlining Guidelines: The Development Review Process” (1990)
 - Canada: “Streamlining the Approvals Process for Certified Residential Builders: Pilot Project” (1997)
- Consistently Raised as an Issue
 - Reflected in World Bank rankings in their “Doing Business Report”
 - Ranked Canada 54th out of 190 Countries
 - REALPAC Report
 - Canada-Wide Development Process Survey Report (2012)
 - Ontario Association of Architects:
 - “A Review of Site Plan Approvals”. (2013 and 2018)



History Continued

- More Recently
 - RESCON/Centre for Urban Research and Land Development Report (2018)
 - Province of Ontario, Affordable Housing Task Force (2022)
 - Reflected in the CMHC Research Funding for the “Housing Supply Challenge”
 - AECO/ “One Ontario” Funding (Simcoe County)



Components of the Process Include

The Formal Planning Approvals Process

- Subdivision and Condominium Approvals
- Official Plan and Zoning By-law Amendments
- Site Plan Control Approvals
- Committee of Adjustment Applications

The Appeals Process

- Ontario Land Tribunals (OLT)
- Toronto Local Appeal Body (TLAB)

The Issuance of Building Permits

Altus Studies Undertaken for OAA and BILD

- 2018 “A Review of Site Plan Approvals” (OAA)
- 2020 Benchmarking Study (BILD)
- 2022 Benchmarking Study Update (BILD)
- 2023 City of Toronto Committee of Adjustment Benchmarking Study

Altus 2022 Benchmarking Study

- Average approval timelines have increased by 41 per cent since the 2020 study, and between 27 to 53 per cent depending on application type.
- The best average approval timelines were found in Milton, Whitby, Barrie, Oakville and Brampton, with each municipality averaging less than 16 months.
- The worse average approval timelines were found in Caledon, Toronto, Richmond Hill, and Vaughan, at 27 months or greater.
- Approval times are as long for smaller applications as they are for larger applications.
- Each month of delay is estimated to result in \$2.60 to \$3.30 per square foot in additional construction costs.
- Feedback from municipalities suggests that the barriers to improving approval timelines include staffing, turnaround times when applications are resubmitted, and the need to comply with provincial requirements.

Toronto Committee of Adjustment Benchmarking Study

- Examined applications between 2015-2022
- The volume of applications have doubled...lengthy delays
- Delays have added 8-14% to construction costs
- This translates to \$9 to \$19 per sq ft per year, or approximately \$21,000 to \$58,000
- Average decision timelines were 95 days, 65 days longer than the service standard in the Planning Act ; and 32 days longer than the 63 day service standard target set by the City.

Some Recent Attempts to Address the Issue

- Report of the Working Group on Development Approvals
 - Report of the Working Group in the Development Approvals Process (2019)
 - Passed to MMAH, Consulting Report Commissioned, never released!
- City of Toronto
 - The Concept to Keys Initiative (C2K)
 - Mayor Tory's Follow up Initiative
- Provincial Legislative Changes: “More Homes for Everyone Act”
 - 60 day timeline for approvals, Or rebates of application fees come into effect
 - Municipal Response: Change the requirements in what is required for a “complete application” submission

Additional Initiatives

- 2022 Premier Announcement at AMO, \$45 million in Grants to improve the Planning Approvals Process
- AMO Partnering with “Cloudpermit” (Building permits only)
- National Housing Strategy, CMHC, “Accelerator Fund”



Accelerator Fund

The Canada Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund (HAF) is a \$4 billion incentive program targeting local (lower- tier) municipal governments, with an anticipated outcome of 100,000 additional building permits issued in Canada. The funding terminates in 2026-27.



Large / Urban



Small / Rural / North / Indigenous

Accelerator Fund: Recent Announcements

- London: \$74 Million.....Additional 2000 homes over next three years
- Vaughan: \$59 Million Million.....1700 additional homes



Summary/Conclusion

- An inefficient planning approvals process has been recognized as a problem to be addressed
- Recently research has documented the magnitude and impacts of the problem, in terms of costs and time/delays
- Very little progress has been achieved in addressing the problem by improving the process over the past 30+ years
- Most attempts to address the issue have been piecemeal and partial rather than comprehensive like the UK's Terra Quest system
- There are two components that are essential to the development, implementation and success of such a system:
 - 1) an appropriate technological platform which is user friendly for both the applicant and the approval agencies
 - 2) “change management” within the approval agencies, which will require training and in some cases the hiring of new staff