

AFFORDABILITY AND CHOICE TODAY (A•C•T)

HOW THE REGIONAL MUNICIPALITY OF HAMILTON- WENTWORTH STREAMLINED ITS DEVELOPMENT APPROVAL PROCESS

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Regional Municipality of Hamilton-Wentworth, Ontario

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FOREWORD

The project documented in this case study received funding assistance under the Affordability and Choice Today (A•C•T) Program managed by the Federation of Canadian Municipalities, the Canadian Home Builders' Association and the Canadian Housing and Renewal Association, together with the funding agency, Canada Mortgage and Housing Corporation. The A•C•T Program is administered by the Federation of Canadian Municipalities.

A•C•T, which was launched in January 1990, was designed to foster changes to planning and building regulations and residential development approval procedures in order to improve housing affordability, choice and quality.

Through A•C•T, grants are awarded to municipalities, private and non-profit builders and developers, planners and architects to undertake innovative regulatory reform initiatives in municipalities across Canada. Three types of projects are awarded grants under the A•C•T Program: Demonstration Projects, Streamlined Approval Projects, and Case Studies (of existing initiatives).

- *Demonstration Projects* involve the construction of innovative housing that demonstrates how modifications to planning and construction regulations can improve affordability, choice and quality.

- *Streamlined Approval Process Projects* involve the development of a method or an approach that reduces the time and effort needed to obtain approvals for housing projects.
- *Case Study* grants are awarded for the documentation of existing regulatory reform initiatives.

Change and innovation require the participation of all the players in the housing sector. A•C•T provides a unique opportunity for groups at the local level to work together to identify housing concerns, reach consensus on potential solutions and implement action. Consequently, a key component of A•C•T-sponsored projects is the participation and cooperation of various players in the housing sector in all phases of each project, from development to realization.

All projects awarded a grant under the A•C•T Program are documented as case studies in order to share information on the initiatives and the benefits of regulatory reform with other Canadian communities. Each case study discusses the regulatory reform initiative, its goals and the lessons learned. Where appropriate, the cost savings resulting from modifications in various planning, development and construction regulations are calculated and reported.

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PROJECT OVERVIEW

Between 1994 and 1997, the Regional Municipality of Hamilton-Wentworth (RMHW) in Ontario streamlined its development approval process. It slashed red tape, reduced obstacles to growth, adopted innovative measures to resolve disputes over land use and took measures to stimulate the construction of innovative and affordable housing.

The project had these key objectives:

- eliminate procedural bottlenecks
- reduce or eliminate duplication through better cooperation and coordination among Regional departments
- fast-track innovative and/or affordable housing initiatives
- establish a mediation process at the regional level as a means of alternative dispute resolution
- extend the Region's streamlined methodology to the lower tier municipalities within the region.

The reformed RMHW development approval process features:

1. Adherence to established time frames for approvals.
2. A checklist built into each type of application form to ensure applications arrive complete.
3. Pre-consultation meetings to identify potential problems upfront with development proposals so that issues can be addressed early in the process.

4. A Regional mediation office that offers alternative dispute resolution services when they are needed.
5. Regional planners and engineers dealing with subdivision plans are working in the same division.
6. Delegation of some responsibilities to the lower tier municipalities.
7. Expanded authority for Regional staff to approve undisputed applications.

The streamlining project also produced four publications. One guides applicants through the revamped planning process, another through the standards for engineering submissions, the third encourages innovative housing developments and the fourth stimulates the production of affordable housing.

This reformed development approval process has been implemented across the entire Region, offering a standardized service at both the regional and local levels. Builders and developers in Hamilton-Wentworth now have the advantage of improved service delivery, faster application turnaround times, pre-consultation and checklists to ensure everything is in order. All these improvements translate into lower builder/developer input costs that can be passed on to housing consumers.

1.0 PROJECT DESCRIPTION

The Regional Municipality of Hamilton-Wentworth (RMHW) in Ontario is in the vanguard of Canadian municipalities trying to make housing more affordable through regulatory reform. Between 1994 and 1997, with A•C•T program support, the Region made sweeping changes to its development approval process. It slashed red tape, reduced obstacles to growth, adopted innovative measures to resolve disputes over land use and took measures to stimulate the construction of innovative and affordable housing.

The reform initiative began in a recessionary time, when home builders in many parts of Canada found themselves living on the financial edge. Developers and builders working in the Hamilton-Wentworth Region complained that the Region's development approval process was sluggish and over-regulated. They said it drove up their input costs and impeded their ability to respond quickly to changing market demands.

1.1 Project Objectives and Plan

Spurred by this criticism, Regional officials and representatives from the Halton-Hamilton Home Builders' Association teamed up to streamline the RMHW development approval process. The project they launched had these key objectives:

- eliminate procedural bottlenecks
- reduce or eliminate duplication through better cooperation and

coordination among Regional departments

- fast-track innovative and/or affordable housing initiatives
- establish a mediation process at the regional level as a means of alternative dispute resolution
- extend the Region's streamlined methodology to the lower tier municipalities within the region.

This project team devised an action plan that had three distinct phases.

Consultation

- form a steering committee to clarify and refine problems and to organize, administer and implement the results of the project
- form a technical committee that would hold 10 to 12 twice-monthly meetings to analyze the problems in detail and "brainstorm" workable solutions and methods for streamlining the process.

Design

- document streamlined/revise development approval processes
- establish "fast-tracking" initiatives for innovative and/or affordable housing
- identify individuals, groups, departments and organizations responsible for administering and implementing the changes.

Implementation

- obtain Regional Council approval
- obtain the endorsement of the Halton-Hamilton Home Builders' Association

- produce manuals to guide applicants through the development approval process and to describe design standards acceptable to the region
- implement effective internal departmental tracking of applications
- produce new application forms
- transfer streamlining process methodology to the region's six municipalities.

1.2 Problems Defined

The technical committee, formed to do the detail work, began by documenting and analyzing weaknesses in the existing development approval process. It then categorized the problems into four areas, described in general terms below:

1. Planning — Overlapping jurisdictions and duplication of effort among municipal agencies (the region and its six member municipalities) and the province slowed the review of development proposals and made it more expensive to process applications. Appeals launched as a result of application approvals or denials took too long to resolve.
2. Engineering — Regional engineers and consulting engineers hired by developers often duplicated each others' inspections. Engineering standards for roads and hard services were described as excessive. There was poor coordination among various regional and municipal departments involved in engineering matters.
3. Finance — Security requirements for subdivision agreements were too

stringent and it took too long to get security reductions processed.

4. Legal — The requirements for insurance certificates were called unreasonable.

1.3 Brainstorming Solutions

The technical committee next devised possible solutions. Their brainstorming sessions were particularly fertile, producing almost 80 different ideas. These were eventually whittled down to a package of about 20 recommendations for Regional Council to approve.¹ The committee also drafted four important publications that are now in general use across the Region.

Both the Halton-Hamilton Home Builders' Association and Regional Council endorsed the reforms in the Spring of 1995. Council directed Regional staff to:

- incorporate and implement the streamlining initiatives as part of the departmental policies and procedures
- request all local municipalities to review and endorse, in principle, the streamlining initiatives which directly affect local development processes
- establish a streamlining development approvals committee to continue dealing with outstanding streamlining issues already identified or which may develop.

As directed by Council, Regional Planning Department staff held workshops in each of the region's municipalities to explain the streamlined process. Since then, all six municipalities have accepted the reforms either by a formal vote or through the simple expedient of implementing them.

This acceptance and implementation throughout the Region is an important advantage for area builders and developers. It standardizes the application approval process across the entire Region so that application forms, review criteria and engineering standards are the same at both the regional and local levels.

1.4 Streamlined Process Features

The streamlined process has these key features:

1. Adherence to established time frames for approvals.

Before the reforms took effect, average approval times for

subdivision applications were 6 to 12 months. With the implementation of reform, that period has been cut in half; applications now clear the process in three to six months.

2. Application checklist to ensure submission of complete applications.

Each type of application form has a built-in checklist to ensure applications arrive complete. The Region hopes the inclusion of checklists will eliminate requests by builders and developers to have Regional staff preview forms for completeness, prior to their formal submission.

3. Pre-consultation meetings between developers and relevant agencies, municipalities and the Region when projects are technically complex or politically sensitive.

These meetings are used to identify potential problems upfront so that issues can be addressed early in the process.

4. A Regional mediation office that offers alternative dispute resolution services to parties requiring it.

Parties to a land-use conflict that may be heading for the Ontario Municipal Board (OMB) are invited to one or more sessions where a Regional mediator helps them focus on key issues, articulate their own interests and generate options that are mutually acceptable. If this

Streamlining Highlights

The steps taken by RMHW to streamline the development approval process and make it more customer-oriented include:

- 50 per cent faster approvals
- pre-application checklists
- pre-consultation meetings
- mediation services
- departmental restructuring
- more authority for staff

process fails, the adversarial OMB option is still there.

5. Departmental reorganization so Regional planners and engineers dealing with subdivision plans are all in the same division; they now work in the Environment Department.
6. Delegation of certain responsibilities to the lower tier municipalities.
Whenever possible, the municipalities are given authority over such items as public notification, signage and public meetings.
7. Expanded authority for Regional staff.
The Region has delegated authority to approve undisputed applications to its staff, instead of requiring formal approval by Council.

With respect to the original notion of fast-tracking approvals for innovative or "affordable" housing, the technical committee members representing builders stressed that a streamlined process should apply to all types of housing. The committee agreed with this view and decided there should be no queue jumpers. Streamlining must improve the efficiency and effectiveness of the approval process for developments of all housing types.

1.5 Important New Publications

The Region created four publications as part of the streamlining project. One guides applicants through the revamped planning process, another guides

applicants through the revised standards for engineering submissions, the third encourages innovative housing developments and the fourth stimulates the production of affordable housing. Each publication is described in Appendix B.

1.6 Reform Process Accolades

The RMHW streamlining process is now complete and, according to Guy Paparella, Director, Development Division, Regional Environment Department, the reforms appear to be working quite well.

"The Region has not attempted to quantify time or cost savings for all types of planning applications. Even though we have accepted new plan review responsibilities from the Province and have maintained virtually all of our approval authority, we are still processing applications in less time than before," he said.

The leading edge quality of the RMHW reform effort has been recognized by others. An article titled "One-Stop Plan Review for Developers" in the *Property Management Report*, (Volume 11, No. 5, pp. 19-22) and another entitled "Streamlining the Development Approvals Process" appeared in the *Cordillera Institute Journal*, (March 1997). The Region also won an Excellence in Planning Award from the Ontario Professional Planners Institute for its *Development Guide to Planning Applications manual*.

2.0 Background

Hamilton-Wentworth's streamlining project occurred against the backdrop of major changes to Provincial planning legislation and the Region's adoption of a sustainable community concept.

2.1 Provincial Overhaul

The Province began to retool its planning legislation in 1991 when it appointed a commission to recommend improvements to the rules and procedures that govern planning and land development in Ontario. The process culminated in a revised planning act that eliminates overlap and duplications in the system.

Proclaimed in 1996, Ontario's Land Planning and Protection Act:

- cuts approval times in half
- eliminates the requirement that planning decisions must "be consistent with" provincial policies, returning instead to the requirement that decisions must "have regard to" those policies
- expands the authority of local governments to make planning decisions
- promotes alternative dispute resolution techniques.

Under the transfer of plan review from the Province to local levels, regional jurisdictions now review and comment on all site-specific plans on behalf of the Province.

RMHW at a Glance

Location: western end of Lake Ontario
Population: about 470,000
Housing Types: 60% single detached; 23% apartments; 10% semi-detached; 7% row
Households: about 175,000
Member Municipalities: Ancaster, Dundas, Flamborough, Glanbrook, Hamilton, and Stoney Creek.

Source: RMHW

2.2 Vision 2020

Hamilton-Wentworth now describes itself as "The Sustainable Region". The basis for this claim is Vision 2020, a document that visualizes where RMHW could be in the year 2020 if it follows the principles of sustainable development between now and then.

The document, produced by a task force that consulted more than 1,000 residents of the Region, describes a community that includes:

- a system of connected and protected natural areas
- a new transportation system
- a compact urban form
- a diversified and environmentally friendly economy
- community participation in decision-making
- a strong agricultural sector
- other positive changes to the community.

The revamped RMHW development approval process adheres to the Vision 2020 philosophical outlook. The preamble to the motion that Council passed when it approved the reforms, addressed this issue as follows:

“An efficient and effective system of land use planning is critical to the economic, environmental and social interests of the people of this Region. The streamlining initiatives put forward are a fundamentally different vision of how the planning process should work. These changes are intended to create a planning system that balances the principles of Vision 2020 for the community, the economy and the environment of Hamilton-Wentworth.”

2.3 How The Regional and Local Tiers Interrelate

The two tiers of government in Hamilton-Wentworth – the Region and the six municipalities – each has a development approval process. The jurisdictional relationship between the Region and the municipalities has not changed much as a result of the reforms. Most of the changes affect how applications are processed.

A developer proposing a project in RMHW must still conform to both the official plan and zoning by-law of the local municipality in which the proposed development is located and must also conform to the Regional official plan.

Each of the six municipalities has a local official plan, which sets out land use and development policies in broad terms. The zoning by-law of each is a more detailed document that specifies permitted land uses and provides the development standards that implement the policies set out in the official plan.

The Regional Official Plan is an even broader policy document than the local official plans. It outlines Regional involvement in land use and development in more general terms.

3.0 The Community and The Key Players

Before RMHW set out to reform its development approval process, problems with the system were tackled piece-meal with little regard to how the parts interrelated and functioned as a whole. The reform project brought all the players together, for the first time, to deal with problems and issues at the macro level.

3.1 Steering Committee

The work began under the direction of a project team, composed of three senior regional officials and two builder representatives. This team assumed the role of a steering committee and established the goals and objectives of the project. They also prepared the submissions to Council that authorized the project and, when it was over, prepared the recommendations for reform that were passed by Council.

3.2 Technical Committee

The detail work of identifying and analyzing problems with the existing approval process and creating workable solutions was done by a 28-member technical committee. It brought together representatives from the public and private sectors who were involved in any way with land use development in Hamilton-Wentworth.

Included on the committee were representatives from each of the six municipalities that comprise the RMHW

and from the Region itself. The committee also had representation from the Niagara Escarpment Commission, the Halton-Hamilton Homebuilders' Association and from the provincial ministries of Transport, Agriculture, Municipal Affairs, Natural Resources, Environment and Energy and Housing. Local boards of education were also represented as was the Halton Region Conservation Authority.

Its large size was not an impediment because the committee subdivided into three sub-committees, each assigned to tackle specific aspects of the project.

Size was, in fact, an attribute. With such widespread representation, from so many agencies and levels of government, the Region ended up with a streamlined process created through consensus and openly supported by all the stakeholders.

4.0 Regulatory Reform Initiatives and Impact on Cost, Choice and Quality

The streamlining of the development approvals process built a system that is more integrated, cooperative and oriented to customer-service. This approach reflects a clear attitudinal and behavioural shift from the previous way of doing business.

4.1 Knowledge Transfer

The standard application forms and the development manual produced as part of the RMHW project have been adopted as models by other regional municipalities, including Waterloo and Halton.

The development manual can serve as a template for municipalities to create a similar reference guide for their own jurisdictions. The fact that the manual incorporates the latest requirements of the Ontario Land Planning and Protection Act is of particular benefit to other Ontario jurisdictions.

4.2 Cost

The efficiencies created within the reformed process extend to the development industry. Of particular significance is the shortened time frame that results from better co-ordination between the Region and area municipalities with respect to joint meetings, circulation of documents and public notices.

Improved service delivery for developers, faster application turnaround times, pre-consultation and checklists to ensure everything is in order – all translate into lower costs for developers.

4.3 Choice

The inclusion of a chapter devoted to alternative standards in the new engineering guide encourages innovative subdivision design aimed at using land more efficiently. Similarly, the guide for non-profit housing groups serves as a virtual how-to manual to encourage the creation of innovative, affordable housing.

Appendix A Problems - Solutions

Problems identified by the technical committee and the solutions adopted to address them.

Problems	Solutions
<p>Applicant Errors: Application forms are frequently incomplete, lacking important details about the proposal.</p>	<ol style="list-style-type: none"> 1. Applicants get a checklist to ensure they provide all the information required. 2. Application forms revised so each information field spells out exactly what is required. 3. For large, complex projects, there are pre-application consultations with the involved parties to identify additional information that needs to be supplied and issues that need to be addressed for the application to succeed. 4. The Region wrote and published a <i>Development Guide to Planning Applications</i>.
<p>Bureaucratic Overlap/Delays:</p> <ol style="list-style-type: none"> 1. Duplication in various areas of the process. 2. Poor coordination among agencies of government asked to comment on applications. 3. Too many agencies, some with conflicting mandates, involved in reviews. 4. Some reviewing agencies slow to provide comments on applications. 	<ol style="list-style-type: none"> 1. The Region encourages more cooperation among reviewing agencies and has written memoranda of understanding or protocol agreements spelling out the responsibilities of reviewing agencies. 2. The Region sets specific time limits for various steps in the review process and follows up to ensure these deadlines are met. 3. Staff given the authority to approve undisputed applications. 4. Approval process reforms adopted by all municipalities in the Hamilton-Wentworth Region. 5. Regional planners and engineers who deal with subdivisions now work in the same division within the Region's Environment Department.
<p>There is a need for dispute resolution techniques short of costly and adversarial referrals to the Ontario Municipal Board.</p>	<p>The Region has established alternative dispute resolution methods to encourage "made-at-home" solutions. This process will be used to identify and resolve contentious issues and to avoid appeals when applications are denied.</p>
<p>Engineering design standards across the region lack consistency and are too rigid.</p>	<p>The Region revised its engineering standards and they are now used by the Region and its member municipalities. The standards now include alternative design standards guidelines to encourage innovations in housing.</p>

Problems	Solutions
Lack of public and private funding to create an information data base and to complete major growth studies in advance.	Information about the water and sewer line network has been expanded and improved through the Infrastructure Asset Management Strategy (IAMS). The Region is also proposing an Integrated Growth Study that, if approved, will likely be funded from development charges.
Insurance and legal requirements are unreasonable.	The amount and type of insurance required has now been standardized and authority to check insurance policies has been given to the subdivision agreement administrator. Previously these were checked by insurance brokers. The Region is also proposing that the legal review of development applications/agreements be contracted out or that a dedicated position be created for this purpose.

Appendix B — Publications

The four publications produced as a result of the RMHW development approval streamlining project are described below². **Note:** The publications describe the development approval administrative process in effect when this report was written. Administrative restructuring, which is on the regional government's 1998 agenda, may change some of these procedures.

Development Guide To Planning Applications is a one-stop, comprehensive how-to manual that guides applicants and their agents through the Regional land development approvals process. It contains information and step-by-step directions for completion of the following Regional plan application types:

- regional official plan amendment
- local official plan amendment (regional approvals portion)
- subdivision/condominium
- consent (severance)

The development guide incorporates provisions of the Ontario Land Planning and Protection Act that came into force in 1996. The Act streamlines decision making on land use issues, provides for greater local autonomy and contains measures to protect the environment.

Development Guide to Engineering Submissions provides detailed engineering standards and criteria to assist developers, landowners, municipal engineers and architects evaluate the criteria for engineering submissions made in support of proposals for residential development. The manual devotes an entire chapter to alternative design standards to encourage the development of innovative housing. In this respect, the engineering guide builds on a 1995 provincial publication, *Making Choices*, a comprehensive presentation of alternative design standards. The Region augments the Provincial suggestions for alternative designs with details that cover roadways and road design, sidewalks, roofwater discharge and lot grading.

The revised engineering standards differ from those previously in force. They now:

- provide detailed and standardized criteria respecting information to be included in engineering drawings, reports, submissions, etc.,
- present consistent standards for all area municipalities for the construction of sanitary sewers and water mains,
- contain a chapter on alternative development standards.

Developing Innovative and Non-Profit Housing: A Guide for Hamilton-Wentworth assists people who are interested in developing affordable housing. This guide is a tool for people who do not have a great deal of experience in the development field and want to investigate the option of building innovative or low-cost housing.

Among subject matter covered:

- Federal and Provincially Funded Housing
- Housing Without Federal and Provincial Funding
- Other Aspects of Affordable Housing (barrier-free and supportive housing and rehabilitation)
- Innovation in Affordable and Non-Profit Housing that includes ways to obtain property, labour and equity
- Alternatives in tenure arrangements
- Sources and types of financing
- Support services in the community.

This guide acknowledges that public funding for non-profit housing is in short supply and describes creative approaches that do not rely on tax dollars. It includes case histories of creative, privately-funded strategies that have produced successful housing projects in other parts of North America.

Providing Housing for People With Low Incomes and Special Needs examines housing options for people with low incomes and recent trends in special needs housing. It suggests how such housing can be provided and describes the role of the Region and area municipalities.

¹ See Appendix A where a matrix pairs specific categories of problems with their adopted solutions.

² Each publication can be purchased at cost from the Regional Municipality of Hamilton-Wentworth, Development Division, Regional Environment Department, P.O. Box 910, Hamilton, ON L8N 3V9; Tel: (905) 546-2206, Fax: (905) 546-2584 or obtained on loan from the Canadian Housing Information Centre, 700 Montreal Road, Ottawa ON K1A 0P7, Tel: (613) 748-2367, Fax: (613) 748-4069, TTY: (613) 748-2143.