

AFFORDABILITY AND CHOICE TODAY (A•C•T)

The City of Yellowknife Development Approval Process Review and Streamlining

Department of Planning and Lands
City of Yellowknife, Northwest Territories

Prepared for:

**Federation of Canadian Municipalities
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Canadian Housing and Renewal Association
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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

In 1992, the City of Yellowknife, Northwest Territories, undertook a Development Approval Process Review to find out how well its method of approving and issuing building and development permits was working and where it might be improved.

Having a well-oiled approval process is desirable anywhere but is particularly important in the North. Builders there face a short construction season so delays could force them to work in winter weather or to postpone jobs until the next building season. Either alternative drives up costs and eventually makes housing and commercial space less affordable.

The City structured the project to focus on permits issued under the City's zoning and building by-laws but wanted related approval processes, such as those under the jurisdiction of the Government of the Northwest Territories (GNWT), reviewed as well. They also wanted the study to examine the City's administrative structure to identify any bureaucratic impediments to an efficient and user-friendly approval process.

In June 1993, the City hired the Yellowknife consultancy firm of Ferguson, Simek, Clark (FSC) Engineers and Architects to undertake the investigative phase of the project and to make recommendations for improvements. The consultants interviewed Yellowknife civic officials who manage the approvals process, members of the public who used

the system, and officials in other municipalities who could describe how their permit approval processes operated.

In general, the consultants found that Yellowknife's system worked well. When applicants understood the process – mostly because they were old hands at obtaining approvals – there were few problems. When problems occurred, it was usually due to a lack of information. Those interviewed felt it was imperative that the City publish information to help users understand how the approval process operates and what is required of them. Those interviewed also advocated various measures to improve efficiency.

As a result of the Development Approval Process Review and a coincidental amendment to its building by-law, the City of Yellowknife implemented several reforms to its permit approval process. First and foremost was the publication of six brochures that guide applicants through the approval process. Four of these brochures relate to specific types of construction while the other two are general guides to obtaining building permits and mechanical permits.

The City also eliminated the need for building permits for several types of small-scale projects and introduced administrative efficiencies. A review of the zoning by-law, still underway when this report was written in 1997, may generate additional reforms.

1.0 PROJECT DESCRIPTION

Municipal building and development permits and the processes that deliver them rarely, if ever, seize public attention. The subject matter is just too arcane. It's about application forms, inspection procedures and clerical routines. Yet, this process, if not done right, can have an adverse impact on a city's prosperity.

When a permit process has clarity of purpose, runs efficiently and focuses on client and community needs, it costs less to administer, helps assure compliance with city regulations, lowers development and construction costs and, at the end of the day, helps make residential and commercial space more affordable to buy or rent. Conversely, an inefficient system with jurisdictional overlaps and fuzzy mandates confuses people, creates delay, makes construction more expensive and discourages development.

In 1992, the City of Yellowknife decided to ensure its development and building permit processes were an asset to the city, not a liability. In that year, the municipality undertook a Development Approval Process Review to find out how well its method of issuing permits was working and where it might be improved.

1.1 The System and Its Problems

There are numerous permits associated with development in the City of Yellowknife – development permits, building permits, gas, boiler and electrical

permits, sand and gravel permits, orderly use of highways permits, moving and demolition permits. To obtain these, people must go through processes that have evolved in an ad hoc fashion through the years in response to the needs of the day.

The process in place prior to the review:

- operated strictly on a “first come, first served” basis with no consideration or priority given to the scale, value or impact of a project,
- had no formal review process; it was ad hoc,
- had no formal process to track applications,
- could not determine with certainty if there had been compliance with conditions attached to permit issuance,
- had little information to help the public understand the process or what is required of them,
- could not identify incomplete applications.

In short, senior City officials administering the process recognized that it was inefficient and difficult for administrative staff and the public to understand.

1.2 Project's Focus and Purpose

City officials conceived the Development Approval Process Review in the belief that a more efficient and effective process would shorten approval turn-arounds and reduce costs to the construction industry.

They anticipated that they might need new tools such as revised application forms, checklists, a tracking mechanism, and “how to” manuals that could guide builders and the public through the approval process.

Officials proposed to council that the project should focus on permits issued under the City’s zoning and building by-laws but they wanted related approval processes, such as those under the jurisdiction of the Government of the Northwest Territories (GNWT), reviewed as well. They also wanted the study to examine the City’s administrative machinery to identify any bureaucratic impediments to an efficient and user-friendly approval process.

As approved by Council, the review had two objectives:

1. To reduce the time required to obtain the various approvals (e.g.) development, demolition, moving, building, mechanical, occupancy, etc.)
2. To increase the efficiency and effectiveness of municipal staff in their understanding of the process, in their dealings with the public, and in the review and approval of applications.

City officials structured the project to proceed in three phases.

Phase 1

City staff completes an in-house review of the current permit approval process to collect background information and identify problem areas for examination in phase 2.

Phase 2

The City uses an A•C•T grant to engage a consultant who would use the information gathered in the first phase to:

- prepare a plan of action to address the project’s objectives,
- meet outside agencies, local developers and other interested parties to develop an understanding of their concerns with the current process,
- collect their ideas for improving the process,
- review the processes of other municipalities,
- report findings and recommendations and perhaps options upon which City staff could propose action to City council.

Phase 3

Council approves proposals for action and implementation.

1.3 In-Depth Interviews

In June 1993, the City hired the Yellowknife consultancy firm of Ferguson, Simek, Clark (FSC) Engineers and Architects to undertake Phase 2 of the project. To understand the permit process and its problems so they could recommend solutions, the consultants did in-depth interviews¹ with:

1. **City Officials:** Interviewed the 13 key City employees who administer the approval process. Also interviewed Government of the Northwest Territories (GNWT) staff involved with the process. Those interviewed explained how the system worked, described their roles and the problems they encountered and suggested

changes that would make the system run better.

2. **Users:** Interviewed contractors, developers and private home owners who had recently obtained permits from the City. These interviews identified problems encountered by applicants, the level of their satisfaction with the process and recorded their ideas for improvements.
3. **Other Officials:** Interviewed municipal officials in Yukon and Alberta communities to learn how they administer their permit processes. They described less restrictive approval processes and ways of using information to avoid the types of problems occurring in Yellowknife.

1.4 Conclusions

Based on their interviews with civic officials and users, the consultants found consensus for change in many of the procedures used to obtain permits.

- The majority of those interviewed felt that information pamphlets describing the process and its requirements were urgently needed.
- The development permit and building permit application forms should be reviewed to remove redundant requests for information.
- All permit applications should be processed at one location.
- A computerized tracking system should be introduced to identify the current status of applications, spot delays and to help locate misplaced applications.

- City staff involved in permit issuance should be more accessible to answer public inquiries.
- The rules should be relaxed for smaller developments. Fences and small renovations should be exempt from the building permit process and the customary two-week appeal period.

From their interviews with officials in other jurisdictions, the consultants learned that all of them provided pamphlets to the public outlining permit requirements and procedures and they encouraged city staff to help applicants as much as possible. They also learned that civic officials in other jurisdictions were adverse to handling electrical permits – they were happy to leave them in the hands of provincial or territorial authorities.

1.5 Recommendations and Action

In December 1993, the consultants reported their observations and conclusions to City staff.² In general, they found that Yellowknife's permit process works quite well. Once an applicant understands how the system operates and understands the roles and responsibilities of the City staff involved, there are few problems. General contractors who routinely use the system supported this view. The contractors told the consultants they would like the process to move a bit faster but they had few concerns otherwise.

When problems do arise, the consultants found, it is usually because applicants do not understand the process or what is required of them. New applicants frequently do not know what to do, where

to go, and who to talk with to get proper information. The consultants concluded that a lack of information material was the overriding deficiency of the system.

The City's Planning and Lands department submitted the FSC report to Council in February 1996 and informed Council of the administrative actions taken in response to each of the consultants' recommendations. Listed below are each of the FSC recommendations in summary form followed by a description of the action taken by the City.

Recommendation

Develop educational materials to explain the policies and procedures of the building permit process.

Action Taken

Produced six brochures that tell applicants how the approval process works and what is required of them. The brochures³ deal separately with the construction of (1) accessory buildings, (2) decks, (3) additions and (4) single family dwellings. In addition there is a brochure that guides applicants through the building permit process and another that describes the process for obtaining mechanical permits. Revision of these existing information pieces and the creation of some new material may be required when the City concludes a comprehensive review of its zoning by-law

Recommendation

Consider dedicating one person to be a full time "permit clerk".

Action Taken

Improved the efficiency of the clerks already handling permits. Because of the

low number of permits and seasonal variation in work flow, the city could not justify dedicating one staff person to this job.

<p style="text-align: center;">Yellowknife Action Highlights</p> <ul style="list-style-type: none">• Published information brochures• Improved clerical efficiency• Scrapped building permits for small projects• Improved liaison with territorial officials• Demanded lot grading plans
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Recommendation

Simplify and accelerate the process for routine, small projects such as decks, fences and small accessory buildings.

Action Taken

Building by-law no longer requires permits for fences, small accessory buildings and low-level decks.⁴ The City plans further measures in 1998 to give development officers greater discretion to relax development standards so technical matters don't have to be referred to council for decisions and less time is consumed with appeals when applications are refused. Improved communication between the Public Safety Department and the Public Works Department has smoothed the issuance of permits for the moving and demolition of buildings, the orderly use of highways and for sand and gravel pit operations.

Recommendation

Make the city the only review agent for development and building permits . Leave issuance of gas, boiler and electrical permits in the hands of the GNWT.

Action Taken

Developed better communications links with other regulatory agencies to improve the process. Left electrical, gas and boiler permits in the hands of the territorial government.

Recommendation

Set up a computerized interdepartmental tracking system for permits.

Action Taken

The City deferred this item for financial reasons and retained its existing records system for the time being.

Recommendation

Review the advisability of requiring lot grading plans.

Action Taken

Lot grading plans are now required for all new developments.

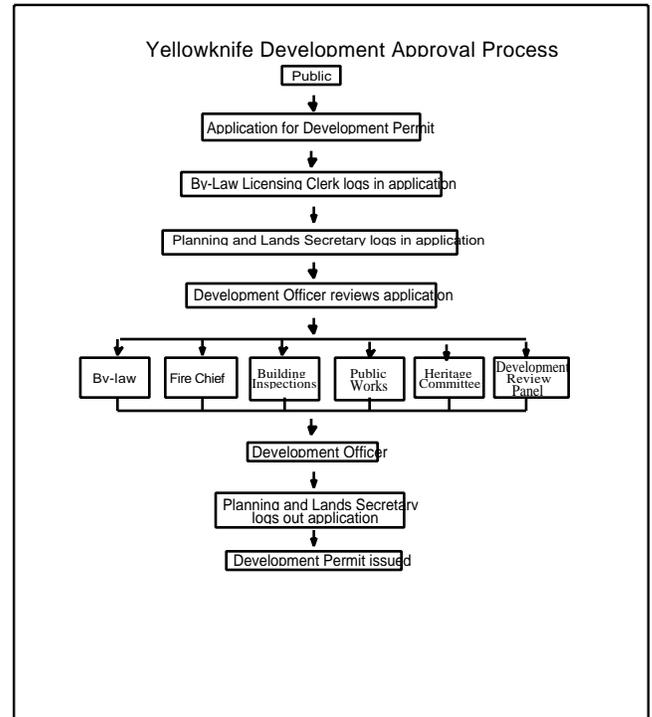
The City has also bolstered the application review process by increasing staff awareness of the need to improve interdepartmental communications when applications deal with irregular projects or ones that need special attention.

2.0 BACKGROUND

Yellowknife, population 17,000 plus, is the capital of the Northwest Territories. Located on the northern shore of Great Slave Lake 1,500 km north of Edmonton, the city has an economy centred on government administrative services, transportation services and mining. Gold mines operate in the city and the fly-in mining camps that dot the surrounding wilderness extract gold, diamonds and base metals from the pre-Cambrian rock that is the predominate feature of the North.

For Yellowknife builders, working in the North means a short construction season. In this situation, permit approval times are a priority concern. Delays that would be tolerated farther south have severe consequences in Yellowknife. If builders have to cope with winter conditions, their costs increase dramatically. If they are forced to postpone a project until the following season, money is tied up with no return and, again, costs escalate.

A significant amount of construction is done by firms from outside the territories who are not familiar with Yellowknife's requirements. Often they are in town for a single project and see little point in mastering the intricacies of the local approval system. Inevitably there are sometimes misunderstandings and hard feelings.



2.1 Development and Building Permits

The process required to obtain development permits in Yellowknife has many variations but the basic route is shown above.

The nature of the project usually dictates whose input (bylaw, fire chief, etc.) the Development Officer requests. Those applying for development permits are also required to obtain moving and demolition permits.

The development review panel brings together various officials who have responsibility for approving development in Yellowknife in order to expedite the approval process and coordinate approvals and enforcement. The group meets as required to deal with irregular projects which demand professional consultation.

Building permits follow a simpler path. They are received by a clerk and passed to a building inspector who reviews the application. If all is in order, the inspector issues a permit. The inspector, can, however, request more information and all applications for projects larger than a duplex go to the fire marshal for review. Generally this is the only external review done as part of the building permits approval process.

2.2 Other Permit Types

The City's Public Works and Engineering Department handles applications for sand and gravel and connect and disconnect permits. Applicants submit their applications and pay their fees at City Hall but go to the City garage for approvals.

Public works and Engineering also handles permits for the orderly use of highways but applicants seeking one of these must also get approvals from Northland Utilities Ltd., Centra Power, Northwestel and Mackenzie Media, a cable TV company.

Gas permits, boiler permits and electrical permits are obtained from the GNWT Department of Safety.

2.3 City Development Committee

Yellowknife Council also has an advisory committee that reviews certain types of development and makes recommendations to Council. The City Development Committee gets involved when applications concern "conditionally permitted" uses. The zoning bylaw requires a Council decision on all uses of this type.

3.0 COMMUNITY SUPPORT AND KEY PLAYERS

The study of Yellowknife's development approval process had valuable input from the community. Some of the consultants' key interviews were with people who used the process - general contractors, specialized contractors, developers and private home owners. The interviewees were randomly selected from the City's 1993 permit log book, where the names of people who made application for development, building and moving permits were recorded.

The City chose industry representatives by advertising in the Yellowknifer newspaper on August 6 and 13, 1993. The ad sought private sector individuals involved with the construction industry, preferably in housing.

3.1 Steering Committee

The work of the consultants who reviewed the approval process was guided by a steering committee set up for that purpose. The committee met on a regular basis for several months beginning in the summer of 1993.

4.0 REGULATORY REFORM INITIATIVES & IMPACT ON HOUSING COST, CHOICE AND QUALITY

The Yellowknife project set out to make the approval process more efficient while retaining City control over land use. Bob McKinnon, the City's director of planning and lands, said this objective was accomplished.

"We believe we have accelerated our approval process and that should lower somewhat the cost to builders and make housing more affordable. We haven't yet done a follow-up study to determine how much time is saved or the cost implications of these savings. Until we complete the process of implementing the recommendations through amendments to the zoning by-law, such a study is premature."

Mr. McKinnon's assessment is shared by builders Paul Gourlay (Paragon Building Systems Ltd.) and Eric Sputek (Hovat Construction), both veterans of the Yellowknife construction scene. Interviewed in the fall of 1997, both have the impression that the permit approval process runs faster today than it did a few years ago.

"I do mostly residential construction and some commercial," said Mr. Gourlay. "I'm not a high volume builder and I will often let the developer put the permits through, particularly if there are political aspects to a project. There are getting permits through in a shorter time. It's a known fact," he said.

Mr. Sputek agreed:

I have noticed in the last five years that the process seems more professional. Other people in this business have told me the same thing. They say the system is more efficient. That's a big help in our business."

"I can't focus on any one improvement that has made a difference. It may be streamlining and it could also be technology that has speeded things up".

The statutes that govern how Northwest Territories municipalities must regulate development have content similar to some provincial jurisdictions, but also have characteristics of their own. Other NWT municipalities, operating in this regulatory environment, will no doubt study the Yellowknife reforms with an eye to adapting them to their own needs.

Said Mr. McKinnon: *"Our project shows other municipalities how they can benefit the public and achieve cost savings in administration. The specific changes we made to our regulations are not particularly innovative of themselves but they fit the trend to deregulate municipal administration and I think that's why other communities in the territory will be interested in what we have done."*

1. Interviews are reported in the Development Approval Process Review Background Report, prepared by FSC. Copies can be 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.

2. Copies of the Development Approval Process Review Recommendation Report, prepared by FSC, can be 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.

3. Copies of the Yellowknife building and development approval process brochures can be obtained from the City of Yellowknife, P.O. Box 580, Yellowknife, NT, X1A 2N4; Tel: (403) 920-5600, Fax: (403) 920-5649 or 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.

4. The city had already amended its building by-law in June, 1995 to bring it in line with the 1990 version of the National Building Code. The amendment eliminated the need for occupancy permits, included an enforcement provision and eliminated building permits (development permits still required) for fences and unheated accessory buildings up to 20m².