



May 4, 2020

Stephanie McCabe, Deputy City Manager
Kim Petrin, Branch Manager, Development Services
City of Edmonton, 5th Floor, Edmonton Tower
10111 104 Avenue NW
Edmonton, AB T5J 0J4

Re: Opportunities for City of Edmonton Efficiencies

The Canadian Home Builders' Association – Edmonton Region is a not-for-profit organization representing 450 member companies in the region. CHBA-ER takes pride in having open and effective engagement with the highly qualified and professional team at the City of Edmonton.

We would like to commend City administration for working with industry in a productive and collaborative manner during this pandemic. While navigating COVID-19 has presented many challenges, it has also given us an opportunity to examine how we work together and improvements we can make that will impact the future business environment. We have the ability to realize efficiencies and cost savings now so that members can help stimulate the economy and remain a major employer once the risk of COVID-19 has subsided.

In Attachment 1, CHBA-ER has outlined several small changes that the City could incorporate that would have a large impact on the industry. While cutting fees is not currently an option, our list provides mutually beneficial opportunities to reduce timelines, and improve efficiency for the City and home building industry. The goal is not to get around regulation but rather, to identify opportunities that will create easy but impactful wins.

We want to continue to foster our relationship with administration and work together as city building partners. Every business is examining opportunities to reduce cost and find efficiencies and we are excited to collaborate with the City of Edmonton on the process. We hope our list assists you and your team through this exercise so you can continue to be open for business to the residential construction industry.

CHBA-ER remains committed to advocating for housing affordability which includes the recommendation to delay, defer or postpone the Energy Transition Strategy, Emissions Neutral Building and new levy considerations. These initiatives will have a significant impact to affordability in a very challenging time.

CHBA – Edmonton Region welcomes the opportunity to work with the City to further discuss the ideas outlined in Attachment 1. We look forward to continuing to be partners in residential construction with the City of Edmonton to continue to improve our business environment.

Sincerely,

Marie Soprovich
President, Canadian Home Builders' Association – Edmonton Region

Canadian Home Builders' Association – Edmonton Region Industry Recommendations to the City of Edmonton Attachment 1

Reducing timelines to grant a permit:

Recommendation:	Impact:
<p>1. Allowing builders to apply for a Development Permit/Building Permit without the following information:</p> <ol style="list-style-type: none"> a. Proof of warranty registration for that home b. Roof truss layout c. Floor truss layout d. Roof vents being used e. Structural engineering package f. An evacuation plan g. An oil well assessment document. h. A lot grading plan <p>A DP/BP permit package would be a site plan and a set of architectural drawings.</p>	<p>Creating the permit package for the City of Edmonton takes builders approximately one month. All required information is not essential for the development permit and could even be removed from the building permit. A plans examiner does not need to review the drawings before granting a building permit and they could simply be on site for the first inspection (framing).</p> <p>By doing this, the time frame for granting a permit could be reduced from four weeks to one day, saving builders \$1,500 in carry costs on the lot alone. Most builders' finances cost about \$100 per day per house.</p> <p>This would also reduce the staff that the City needs to review the application. Review would be done in the field by building inspectors.</p>
<p>2. Assigning plans for review daily instead of weekly.</p> <p>Currently, if an application missed the DP assignment by one day that results in a week loss, and if they miss the BP assignment by a day that is another week loss.</p>	<p>Reducing the amount of time that it takes for permits to be granted has been an ongoing issue. Time is of the essence for builders (snow/frost greatly impact the process). Financing costs are one of the biggest costs that a builder carries. At \$100 per day this, would save the builders \$1400.</p>
<p>3. Having the approved permit package be accessible digitally onsite and eliminating the need to print out the package.</p>	<p>A builder must print out the permit package and the site supervisor needs to make sure it is on site.</p> <p>If the permit package is lost, it results in a fine. Sometimes very minor revised layouts required which necessitates an additional \$260 re-stamp fee.</p>

Collaboration with City of Edmonton Staff

Recommendation:	Impact:
<ol style="list-style-type: none"> 1. Can the inspectors call or text the builder when they are: <ol style="list-style-type: none"> a. coming to site b. have a problem with access c. have a minor issue that could be corrected quickly or at next inspection 2. Easing up on the “no access”, “no signage” fees 	<p>Many builders are frustrated with the current process with regards to access, signage, and minor infractions. Having an inspector call/text and let a builder know that they are coming to their home for an inspection can help avoid any issues. Having a site supervisor on site during the inspection will foster better relationships between the builder and city staff.</p>
<ol style="list-style-type: none"> 3. Reducing site specific generic engineering requirements. 	<p>There are many times that a city-wide variance solution can be used (ex. Zero Lot Line construction). Reducing site specific engineering will reduce costs.</p>
<ol style="list-style-type: none"> 4. If there are fails on an inspection, upon re-inspection, there should not be fails for new items that would have been covered in the initial inspection. The resulting second fail and automatic fine could have been addressed on the initial inspection/fail. 	<p>Allowing a builder’s representative to be on site would allow for conversation to happen and should prevent the builder from missing any new items identified in the second inspection.</p>

Construction Standards:

Recommendation:	Impact:
<p>1. Allowing builders to use a self-approval process for lot grading.</p> <ul style="list-style-type: none"> a. The existing process takes a lot of time within the small window of time for lot grading. b. Is focused on the minutia and is very bureaucratic. 	<p>The current process for lot grading approval adds at least two weeks to the landscaping process. Once the rough grade work is completed by the builder, they must get a surveyor to create a lot grading certificate, which involves a site visit by the surveyor to record rough grade elevations, and then a cad technician needs to create the certificate. The registered land surveyor must review and sign that document and then it goes to the City of Edmonton for inspection. An inspector must go to site and inspect, and then report back to the builder and surveyor. It's almost impossible to do that work inside 1 week. The same process happens for final grade approval. These timelines are all conditional on weather. If we do get some rain and someone walks across the site invariably the inspection will fail. Some builders go directly to final grade, and this reduces the timelines by a week.</p>
<p>2. Allowing the builder/developer to complete upgrades to items that are not yet part of the city infrastructure. Currently:</p> <ul style="list-style-type: none"> a. EPCOR is required to upgrade electrical services b. EPCOR is required to upgrade water/sanitary services for infill 	<p>There are many builders that want to upgrade the electrical services in a new community to 200 amps because they want to build a NetZero home, or allow for solar panels. Currently that process is controlled by EPCOR and it takes two months to get a cost and two months to get onto a production schedule. There have been many times that the builder has completed construction and EPCOR has not yet upgraded the services, a job that might take a day to complete. The same process happens for upgrading water and sanitary services for infill housing. If there was a process to allow certified contractors to do this work, it could be done more quickly and likely more affordably than the current process.</p>

Financial:

Recommendation:	Impact:
<p>1. Making changes to the way the City of Edmonton process payments from the builders.</p> <ul style="list-style-type: none"> a. EFT's take time and are costly to process. b. Raising the maximum credit card charge from \$5000.00 to \$15,000 (or potentially \$20,000) would essentially allow all permits up to fourplexes to be paid by credit card, speeding up efficiency and helping some builders with cash flow and solving many of the points mentioned about the slow EFT process. 	<p>The current process for DP applications is essentially “put on hold” until the fees are paid. That means that no one at the City of Edmonton looks at the file until the builder sends the payment info to their accounts payable staff, who then must create an EFT, and then the City accounting department needs to let the planning and development staff know that the payment has been received. This process usually takes a couple of days. Raising the credit card charge will allow this process to happen more quickly.</p>
<p>2. Postponing payments to the end of the process. Collecting permit fees at occupancy, or installments throughout the process.</p>	<p>Reduces the amount of cash outlay that a builder needs before they can sell the home to a customer.</p>
<p>3. Removing the reserve fund charge, which is not helping now when we need it most.</p>	<p>Reducing the cost of a permit would help reduce the cost of homes being built.</p>

Risk Assessment Decision Making:

Recommendation:	Impact:
<p>1. Granting a development permit automatically for every DP application for a home without a variance. There is no need to wait for a DP if there is no request for variance.</p>	<p>Doing this would take two weeks off the time frame for a permit, and if coupled with an automatic issuance of a footing and foundation permit, would allow the builder to go direct to ground.</p>
<p>2. Not requiring DP/BP for decks, garages, or accessory buildings with simple garages (mainly greenfield).</p>	<p>There are many times that a builder has a spec home that gets sold, but a deck gets added to the contract, or a detached garage. The time frame to get that DP/BP is usually a month, maybe more. Allowing builders to build the deck, or the garage without a permit would allow for this work to be done before possession and would reduce holdbacks and carry costs.</p>
<p>3. Relaxing the need for inspections for items that are not in the city's QMP.</p> <p style="padding-left: 20px;">a. Combining the final HVAC/Electrical/Building into one inspection</p>	<p>The city's own analysis has shown that in many cases a foundation inspection is not required. This same process could be applied to the final inspection process. Currently, the process is that the final HVAC and electrical must be done before the final building inspection can be booked. This adds days to the process, especially if there is a fail at the final electrical or HVAC. Combining these would save time.</p>