



# Public Notice

[penticton.ca](http://penticton.ca)


## Development Services Division Review Task Force Meeting

Wednesday,  
**June 24, 2026**  
at 7:30 a.m.  
via Zoom

A Development Services Division Review Task Force meeting will be held on Wednesday, June 24, 2026 at 7:30 a.m. via Zoom to provide an overview of the Development Services Division Task Force and the Proposed Work Plan.

Please visit [www.penticton.ca](http://www.penticton.ca) closer to the meeting date to view the agenda.

The zoom link will be posted on the City's website on the day of the meeting.



Angie Collison, Corporate Officer

## Development Services Division Review Task Force Meeting

to be held via Zoom and in person in Room B – City Hall  
Wednesday, June 24, 2026  
at 7:30 am.

1. **Call Regular Task Force Meeting to Order**

*We acknowledge that Penticton, where we live and work, is on the traditional lands of the Syilx People in the Okanagan Nation.*

2. **Adoption of Agenda**

3. **New Business**

Laven 3.1 Round Table Task Force Member Introductions

Laven 3.2 Task Force Orientation

Laven 3.3 Appointment of Chair and Vice-Chair

Recommendation:

THAT the Development Services Division Review Task Force appoint \_\_\_\_\_ as the Development Services Division Review Task Force Chair and \_\_\_\_\_ as Vice-Chair.

Laven 3.4 Development Services Division Review Task Force Proposed Work Plan

Staff Recommendation:

THAT The Development Services Advisory Committee endorse the proposed workplan outlined in the report dated, June 24, 2026, titled "Development Services Division Review Task Force Proposed Work Plan";

AND THAT the Task Force, accept the following meeting dates for scheduled Task Force meetings: June 24, July 8, July 22, September 9, 2026 with all meetings held at 7:30 AM.

Laven 3.5 Overview of the Development Services Division

Staff Recommendation:

THAT the Development Services Divisional Review Task Force, receive into the record the report dated, June 24, 2026, and titled, "Overview of the Development Services Division".

3.6 Round Table

4. **Adjournment**



**Legislative Assistant (Non-Voting Member):**

- Works with the Staff Liaison and the Chair to compile the agenda to be circulated to Committee members.
- Assists the Chair with meeting management and parliamentary procedure.
- Responsible for taking minutes and circulate as required for approval, before being forwarded to Council.
- When a motion is raised on the floor that was not pre-prepared, they will work with the Chair to create an applicable motion to be voted on.

**2. Order of Scheduled Meeting Proceeding**

As soon as practicable prior to the scheduled meeting date, an email will be sent out with a meeting link (indicating the meeting is going forward), or a Cancellation Notice (indicating that meeting has been cancelled). If the meeting is going forward, please accept or decline the invite. This allows us to know if the meeting will have quorum.

The agenda will be emailed out 1-3 business days prior to the meeting date.

The meetings will take place at their scheduled date and time, unless a Special Meeting is called (see below about Special Meetings).

After the meeting, minutes will be created and circulated as required for approval by the Chair and Staff Liaison.

Agendas and approved Minutes will also be posted online to: <https://www.penticton.ca/city-hall/councilcommittees>.

**3. Special Meetings**

From time to time, Staff may arrange a Special meeting if an item of business come up outside of the Regular meeting schedule.

**4. Contact**

If you have any questions or would like further information about a Committee, please email [committees@penticton.ca](mailto:committees@penticton.ca) or phone the Legislative Assistant at 250-490-2473.



# Memo to Committee

penticton.ca

**Date:** June 24th, 2026  
**To:** Development Services Division Review Task Force  
**From:** Blake Laven, General Manager of Development Services  
**File No:** RMS 0540-20  
**Subject:** Development Services Division Review Task Force Proposed Work Plan

## Staff Recommendation

THAT The Development Services Advisory Committee endorse the proposed workplan outlined in the report dated, June 24, 2026, titled "Development Services Division Review Task Force Proposed Work Plan";

AND THAT the Task Force, accept the following meeting dates for scheduled Task Force meetings: June 24<sup>th</sup>, July 8<sup>th</sup>, July 22<sup>nd</sup>, September 9<sup>th</sup>, with all meetings held at 7:30 AM.

## Background

Penticton City Council has established the Development Services Division Review Task Force (Task Force) to provide advice on opportunities to enhance the City's development approval processes, identify broader divisional improvements, and address the impacts of rising construction costs on residential and commercial development activity (Task Force Terms of Reference).

In parallel with the Task Force's work, the City has initiated a third-party review of the division. This review is intended to, similarly, identify process improvements, respond to the evolving provincial regulatory framework, and explore opportunities related to digital enablement and cost pressures within the development industry.

The third-party review is being led by Ron Mattiussi (former Chief Administrative Officer of the City of Kelowna) and Lisa Spitale (former Chief Administrative Officer of the City of New Westminster). Both bring extensive experience with Development Services divisions in high-growth municipalities comparable to Penticton. The consulting team has also committed to participating in the Task Force's work.

The first phase of the consultants' work will focus on engagement with the development industry to better understand perceptions of the division. This will include targeted interviews with key industry representatives, identified through organizations such as the Canadian Home Builders' Association and the Urban Development Institute as well as surveys of individuals who have recently gone through the building permit process and a survey of experienced developers, builders and design professionals.

Findings from this engagement will be shared with the Task Force as they are received and analyzed and will inform the work of this Task Force.

This memo outlines the Task Force’s proposed work plan, whose ultimate goal will be developing a set of recommendations for Council’s consideration. These recommendations are also intended to inform and align with the work of the third-party consultants in the creation of a report that will guide future changes and improvements to the division.

*Potential topics of discussion*

Topics of discussion for the task force may include but are not limited to the following:

- Appeals process
- Application timelines
- Staffing
- Professional reliance
- Permit fee structure
- Environmental reviews
- Hours at City Hall
- Reporting and KPIs
- Customer service
- Communication
- Transparency and predictability
- Development cost charges
- Step codes
- Retaining walls
- File manager vs. plan checker / inspector models
- Other topics the Task Force considers pertinent

**Proposed Work Plan**

The following work plan has been developed to loosely guide the work of the Task Force over 4+ meetings with the goal of developing a set of recommendations for improvement that will be considered by City Council and contribute to the third party review, which will carry on into the Fall 2026 and beyond.

Meeting	Agenda topic and work plan
<i>Meeting #1: June 24<sup>th</sup></i>	- Overview of Task Force objectives - Overview of Development Services Division - Round table
<i>Meeting #2: July 8<sup>th</sup></i>	- consultants’ early findings on development industry engagements - Facilitated workshop on select topics of discussion
<i>Meeting #3: July 22<sup>nd</sup></i>	- Review results of workshop - Develop draft recommendations
<i>Meeting #4: September 9<sup>th</sup></i>	- Review draft recommendations - Finalize draft recommendations

**Analysis**

The work plan outlined in this report has been developed to meet the Committee’s objective to provide advice on opportunities to enhance the City’s development approval processes, identify broader divisional improvements, and address the impacts of rising construction costs on residential and commercial development activity.

Staff are recommending that the Task Force endorse the work plan as presented and accept the proposed meeting dates.

## Attachments

N/A

Respectfully submitted,

Blake Laven,  
General Manager of Development Services



# Memo to Committee

pentiction.ca

**Date:** June 24, 2026  
**To:** Development Services Division Review Task Force  
**From:** Blake Laven, General Manager of Development Services  
**Subject:** Overview of the Development Services Division

**File No:** RMS 0540-20

## Staff Recommendation

THAT the Development Services Divisional Review Task Force, receive into the record the report dated, June 24, 2026, and titled, "Overview of the Development Services Division"

## Background

The Development Services Division at the City of Penticton is a high-performing, well-resourced team with a strong provincial reputation for competence and effectiveness. The division has been recognized by the Canadian Home Builders' Association (CHBA), through its Municipal Housing Supply and Benchmarking Study (Altus Group, 2022), as having among the most efficient development approval timelines and processes in British Columbia. The City has also been consulted by other municipalities as a model for supporting development and managing development application processes.

Despite this strong performance, the development landscape in British Columbia is evolving rapidly, driven by new provincial frameworks, regulatory changes, building codes, and ongoing economic pressures. At the same time, it is recognized that not all developers, builders, and design professionals have had consistently positive experiences with interactions with the division. The development process is inherently dynamic, and the City's role as a regulator can naturally introduce tension, even when there is a strong commitment to providing a positive, client-focused experience.

As a result, it is important to periodically review current practices to ensure the division remains responsive, efficient, and aligned with emerging expectations, while continuing to balance its regulatory responsibilities.

In this context, the City has initiated a review of the division to identify opportunities to enhance development approval processes, advance broader divisional improvements, and address the impacts of rising construction costs on residential and commercial development activity (Development Services Division Review Task Force Terms of Reference, 2026).

This memo provides background information on the division, including an overview of:

- Services provided by the division (both development related and non-development related);
- the organizational structure;
- our file management approach;

- application volumes;
- key performance statistics;
- fee structure and development cost charge framework;
- digitization approach;
- industry engagement and continuous learning approach.

This memo is intended to support informed discussion by establishing a shared foundation of knowledge for the Task Force as it considers potential improvements.

## **Divisional Services**

The Development Services Division (the division) provides a broad range of services that extend well beyond supporting the development industry. While the primary focus of this Task Force is on development approval processes and responding to rising costs of construction, it is important to recognize the full scope of services provided by the division and the broader context within which this work occurs.

### *Non-development services*

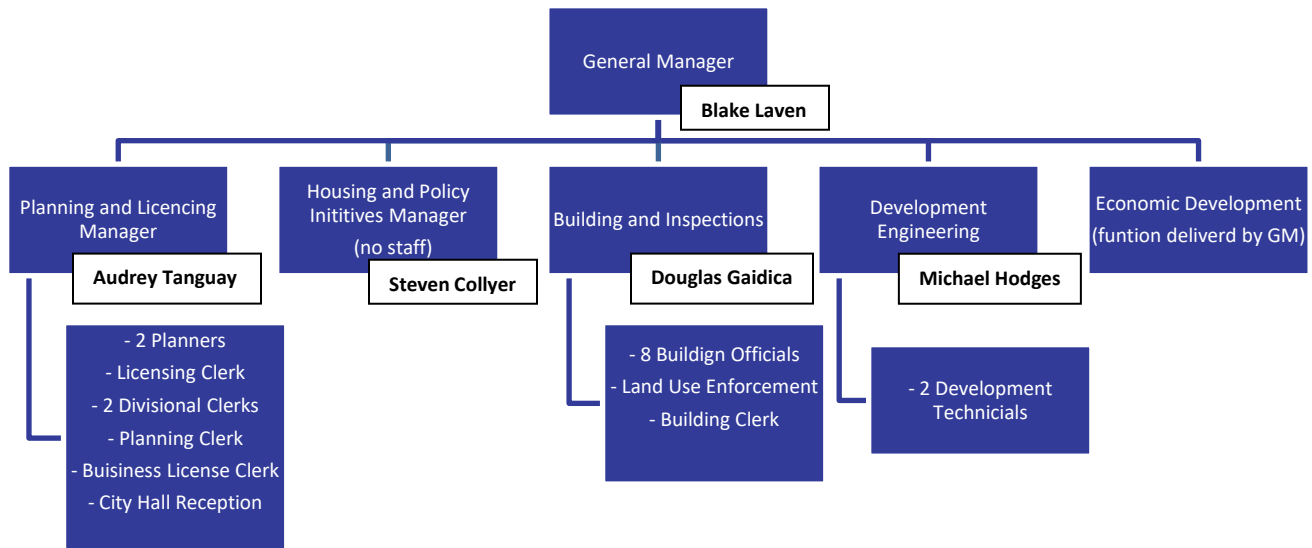
- **OCP and Land Use Policy Development:** At a strategic level, the division leads the City's land use planning function, including the development of and implementation of the Official Community Plan (OCP), the City's highest-level policy document that outlines the growth vision of the community, and a document to which all other City bylaws and regulations must align.
- **Housing Policy, Area Planning and Special Projects:** The division leads housing policy development, area planning (like the recently completed Esplanade Plan and the soon to be launched Downtown Plan Update, among others), and special projects and initiatives as directed by the General Manager.
- **Economic Development:** The division oversees the City's economic development function, working to foster a strong and competitive investment environment in Penticton. This includes initiatives focused on business retention and expansion, resident attraction, and support for key economic drivers such as the Penticton Regional Airport. As part of the Economic Development function we closely collaborate with local organizations and stakeholders, including the Chamber of Commerce, Canadian Home Builders' Association, Downtown Penticton BIA, Penticton Industrial Development Association (PIDA), Medical Services Association and Travel Penticton (Destination Marketing Organization), among others.
- **Business License and Short-Term Rental Program:** The division administers the City's business licensing program, which includes more than 3,600 active licences, including over 300 short term rental licenses. This program is closely linked to the building department as business license inspections often trigger building upgrades and permitting and inspection processes.
- **Property File Reviews:** Through the divisional clerks, an important service is the sharing of property and building file information and comfort letters, important data in planning and development as well as in real estate transactions.
- **City Hall Reception:** Given its location on the first floor of City Hall, the division manages the City's 'reception' function, serving as the primary point of contact for incoming phone calls and in-person inquiries. As a result, the division is often the public's first point of interaction with the City of Penticton.

*Development related services*

- **Processing land-use applications:** Through the functions of the Planning Department, the division is responsible for delivering core development services, including pre-application meetings and the processing of land use applications such as Official Community Plan amendments, zoning bylaw amendments, development permits (including environmental, commercial, and multi-family form and character), development variance permits, temporary use permits and subdivision of land.
- **Servicing Development:** The Development Engineering Department, processes earthworks permits and coordinates land servicing for development (sewer, water, electrical) with the City’s Public Works Departments, providing an integral liaison role between development and the City’s public works and utilities departments. This department also manages development triggered road closures.
- **Processing Building Permits (permit issuance and inspections):** The core service of the division delivered by the Building Department is a full range of building regulation services, including building permit plan reviews and building inspection services, from simple accessory structures and plumbing permits to complex Part 3 building permits for multi-family and large commercial projects.

**Divisional Structure**

Led by the General Manager of Development Services and 4 other management staff, we deliver the above noted services with a staff compliment of approximately 25 individuals. We have 5 departments within the division:



**Development file management approach**

The Division utilizes a file manager model for development applications within both the Planning and Building Departments. Under this approach, a single staff member is assigned to each application and is responsible for guiding it through to completion. This model provides applicants with a “concierge-style” service, offering a clear and consistent point of contact and ensuring accountability for the progression of each file.

By assigning a dedicated file manager, the division supports a relationship-based approach, where applicants interact with one primary contact who has a comprehensive understanding of the file and is directly responsible for its coordination and advancement and liaising with other internal departments as needed.

This approach differs from models used in some other municipalities, where responsibilities are distributed across multiple staff and departments. In those systems, different individuals may handle plan review, inspections, and other components, often prioritizing standardization and specialization over continuity and single-point accountability.

#### *Technical Planning Committee (TPC) approach and inter-departmental coordination*

For more complex applications, the Division utilizes a Technical Planning Committee (TPC) process, led by the Planning Department. This approach brings together representatives from multiple City departments (Planning, Building, Public Works, Parks, Electrical, and Engineering, as well as others as required) early in the review process to provide coordinated input and identify key requirements at the outset. A formal letter is issued to the applicant as the outcome of this review, with valuable project information and requirements.

While this process can add several weeks to the overall review timeline, it is considered a significant value-add. By front-ending technical review and interdepartmental coordination, the TPC process helps identify potential issues early, reducing uncertainty and minimizing the risk of unexpected requirements, conditions, or costs emerging later in the development process and saves the developer from having to contact external departments directly.

For Building Permit reviews, applications are circulated to relevant departments for their specific technical review and sign-off. The Division makes every effort to ensure that reviews are conducted concurrently wherever possible, in order to minimize processing time and improve overall efficiency.

All application files (planning and building permit files) are managed digitally, and staff across development services and related departments are trained in and utilize a shared software platform. This enables coordinated access, streamlined communication, and improved transparency throughout the review process.

#### *Regulatory framework*

The division's work is governed by applicable municipal bylaws and procedures adopted by City Council, as well as provincial legislation, professional standards, and industry best practices established through relevant professional associations. It is these documents and procedures that outline the process that the division processes applications and approves development. However within this framework, individual staff have autonomy to exercise their professional skill set to influence the progression of the file.

For land use applications, the Development Procedures and Delegation Bylaw establishes the application requirements and processes for reviewing zoning, development permits, subdivisions, and other planning-related applications, and clearly defines approval authorities. While most land use decisions formally rest with City Council and the City's Approving Officer (for subdivisions), the bylaw delegates a number of application types to the General Manager. Over time, this delegation framework has expanded, enabling more timely decision-making and significantly improving processing times for many applications.

For building permits, the review process is governed by the Building Bylaw, which is considered a modern regulatory bylaw. The bylaw was substantially updated in 2018 to align with the provincial Building Act (2015), with further refinements implemented in 2021. This represented a significant modernization from the previous bylaw, which dated back to 1994. The Building Bylaw outlines when permits are required, application submission requirements, and inspection protocols throughout the construction process.

There are also a number of additional bylaws and administrative policies that guide the Division's work. However, the documents outlined above represent the primary regulatory framework, establishing key requirements related to permitting, approval authorities, inspections, and overall process.

As the divisional review progresses into a more detailed examination of processes, there may be an opportunity to undertake a deeper analysis of this broader regulatory framework to identify areas for refinement, clarification, or improvement.

Any recommendations from the Committee regarding changes to procedures or service delivery will need to be considered within this broader regulatory context, recognizing the legislative and policy framework within which development must occur and take into account the professional responsibilities of development services staff under their various professional organizations.

### *Professional reliance*

While the City does not operate under a formal professional reliance model, nor is there a regulatory requirement to do so, staff do give appropriate consideration to submissions and interpretations provided by qualified professionals. Many staff are themselves members of professional organizations and are obligated to adhere to established standards of practice and best practices.

In applying this approach, staff do not simply accept professional submissions at face value. Rather, there is an expectation that findings are supported, well-documented, and reflective of site-specific conditions. This may involve requesting clarification, additional analysis, or, at times, challenging assumptions. In our experience, there have been instances where professional submissions have not fully captured the complexity of a project, and subsequent dialogue with staff has led to more positive and appropriate outcomes.

Some municipalities have adopted bylaws that further formalize or expand the use of professional reliance. The Province has also explored legislative changes to incorporate professional reliance more broadly into development approval processes, particularly for residential development, though these have not been advanced.

This remains an area that can give rise to tension between applicants and staff, and may benefit from further examination. It represents a potential focus area for the Task Force as it considers opportunities to improve clarity, consistency, and efficiency within the development review process.

### *Appeal Process*

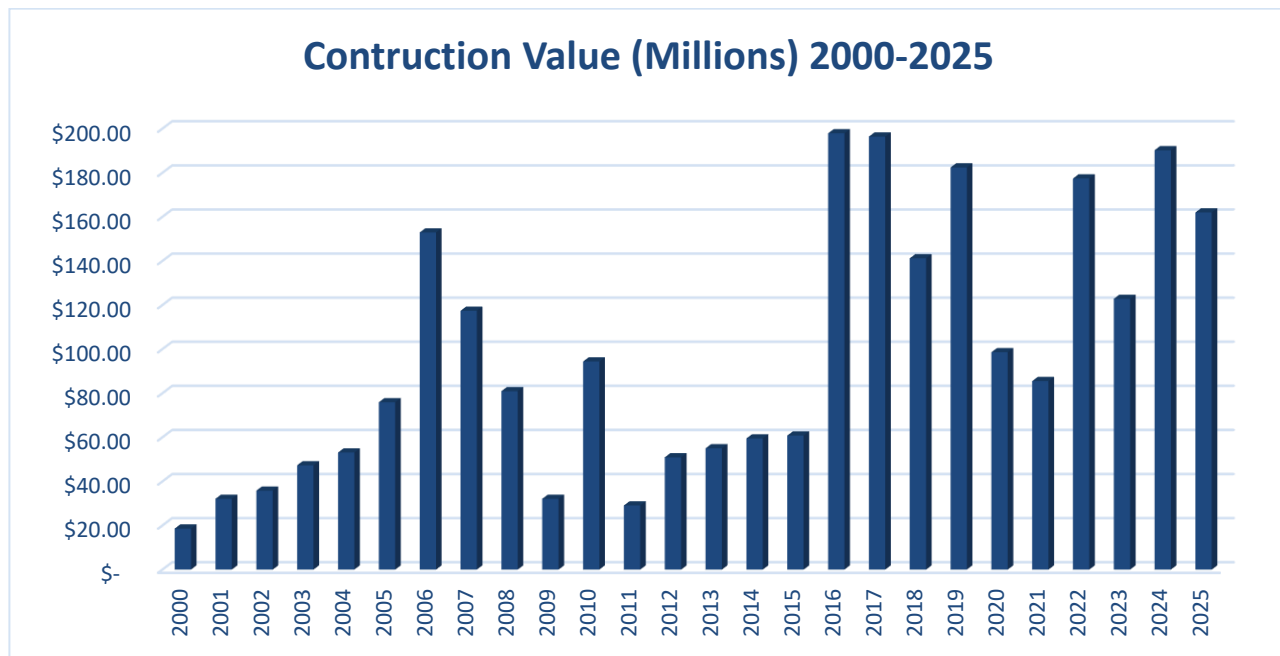
Most development-related processes include built-in appeal mechanisms. Within the Building Department, appeals are initially addressed internally through the Building Manager. If an issue contested through that process, applicants may escalate a question of code interpretation through the provincial BC Building Code appeal process.

For applications administered through the Planning Department, appeals of staff decisions or interpretations are typically reviewed by the General Manager and, in many cases, may be further considered by City Council, depending on the nature of the application and the decision-making authority involved.

While appeal mechanisms are in place, the overall process can be somewhat ad hoc and may benefit from greater consistency, clarity, and formalization. There is an opportunity to simplify and strengthen the appeal framework to improve transparency and predictability for applicants.

### Application Statistics

The Division processes on average \$165 million in construction value a year (5 year average) and over 700 building permits a year (5 year average of 747) and completes over 4,700 inspections a year.



Broken down by applications type, residential permits are the largest permit type worked on, with commercial and industrial the next important types:

- Residential permits yearly (5 year averages): 306 permits representing \$93 million in construction value
- Commercial permits yearly (5 year averages): 84 permits representing \$22 million in construction value
- Industrial permits yearly (5 year averages): 47 permits representing \$3.5 million in construction value

The Planning Department processes an average of approximately 231 applications per year (five year average). These include zoning amendments, development permits, development variance permits, sign permits, and temporary use permits.

Application processing times are also tracked, and the Division generally performs within expected service levels. However, a number of factors can influence overall timelines, including the quality and completeness

of initial submissions, the complexity of the project, and the responsiveness of applicants and their professional teams.

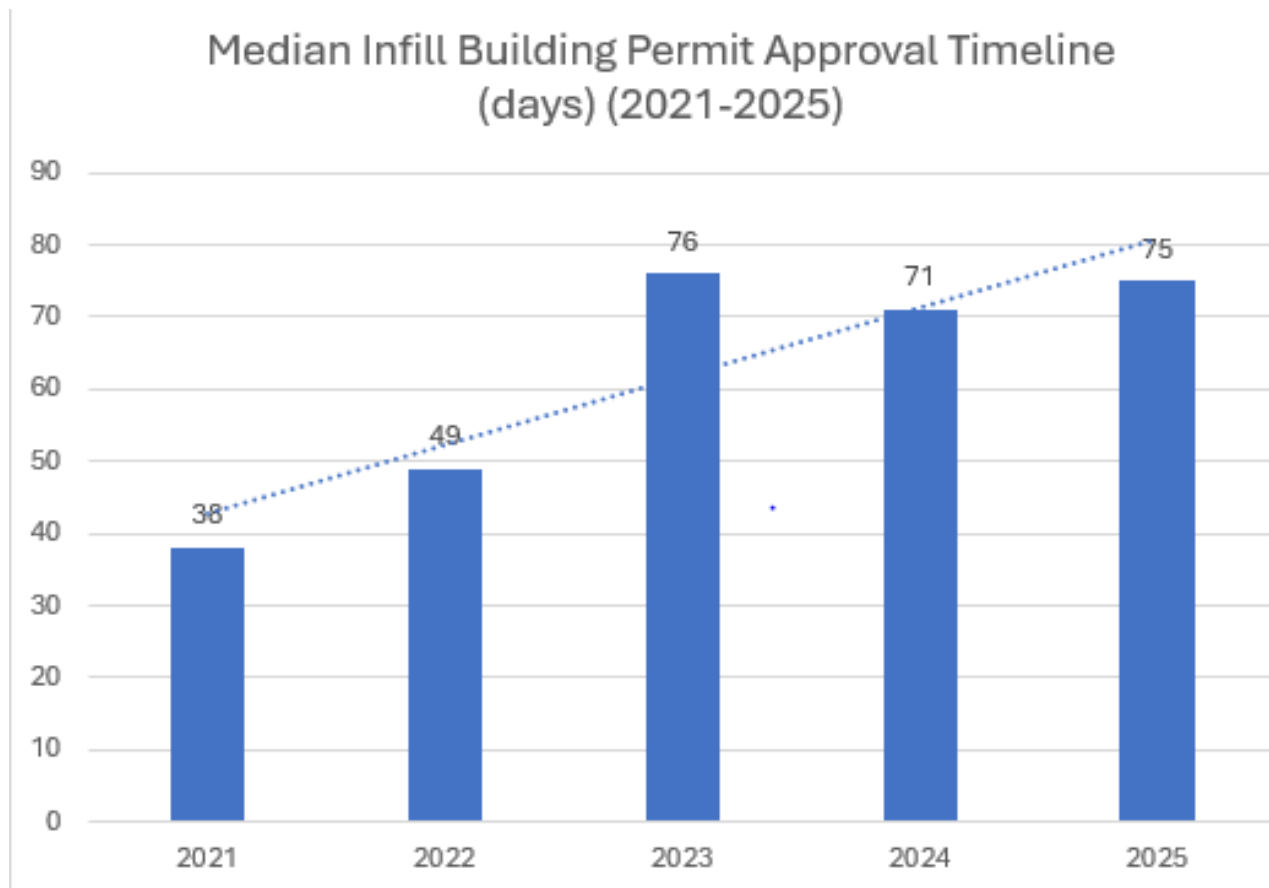
The development review process is inherently iterative. As applications are circulated and reviewed, additional questions and technical considerations often emerge. The time required to address comments, provide revisions, and resolve deficiencies contributes to the overall processing timeline of each project.

Processing times for all permit types for 2025 were as follows:

- Development Permits: 6.9 months
- Building Permits: 68 days (2.2 months)

These numbers include all permits types from small internal renovations to large commercial buildings. As part of the review process we can provide more granular data on processing times at the request of the Task Force.

We recently reviewed processing times on infill style development, which shows increasing times for reviews over all, a trend we are investigating further.



The following table provides an overview of number and types of residential units processed by the Division over the past ten years. These totals represent numbers of units based on building permits that are reviewed and issued by the division and picked up and paid for by the project proponents. This provides a good view into the volume of residential projects typically processed on a given year.

	Single Family	Duplex	Multi Family	Carriage House	Secondary Suite
2025	12	4	429	9	16
2024	13	24	205	9	26
2023	21	44	27	12	21
2022	59	34	242	15	37
2021	76	20	282	14	56
2020	35	26	207	13	40
2019	38	48	264	15	32
2018	98	62	203	26	51
2017	95	64	237	11	38
2016	82	50	221	8	29
<b>10 year average</b>	<b>52</b>	<b>38</b>	<b>231</b>	<b>13</b>	<b>34</b>

### KPIs and quarterly reporting

The division reports its performance and activity metrics through several channels, including the City's Annual Report and the Council priority quarterly reports presented regularly to City Council. In addition, the City is required to provide housing-related data to BC Assessment, which also makes this information publicly available.

More recently, the Province has introduced additional reporting requirements related to housing. Beginning in 2025, municipalities must report on their progress toward provincially established housing targets. For Penticton, this includes a five-year target of 908 housing units, with ongoing monitoring and reporting required.

Key performance indicators currently tracked and reported by the Division include construction value, application volume, processing times and types of housing being permitted for construction.

As part of this review, the division welcomes feedback from the Task Force and third-party consultants on what additional data or performance metrics would be valuable to track and report on a regular basis to support continuous improvement and transparency.

### Fees and Charges

#### *Budgetary considerations*

Development represents a significant economic driver for the City, and an efficient, predictable development review system is recognized as an important public service. As a result, the division is appropriately resourced with a strong complement of professional and support staff to deliver a high level of service and the division is partially subsidized by the City's tax base, with approximately \$900k in annual tax-supported funding (this figure excludes economic development expenses).

The City budgets approximately \$1.5 million in building permit revenue, \$650k in planning application revenue and an additional \$700,000 in business licence revenue, which together help offset the Division's overall annual operating budget of approximately \$3.7 million.

### Application fees

From a policy perspective, the City sets fees and charges to help offset the costs associated with servicing development. As noted above, these revenues do not fully recover the cost of operating the division, and a portion of the service is subsidized by the general tax base in recognition of the broader economic and community benefits that development provides.

Fees and charges are benchmarked against comparable municipalities of similar size and are reviewed on an annual basis. This ensures that fees remain fair, reflect the level of service provided, and maintain a competitive position relative to neighbouring jurisdictions. Adjustments are typically made each year to account for inflation and to ensure alignment with evolving service delivery costs.

The following provides some of the development costs at the City:

	Fee	Comment
<b>Planning Department</b>		
OCP Amendment	\$2,810 or \$6,760 (with engagement)	
Zoning Amendment	\$2,470	Some minor additional fees for public hearing signage if required
Development Permit	\$940 (staff) or \$1625 (Council)	
Environmental DP	\$815	
Development Variance Permit	\$940 (staff) or \$1,180 (Council)	
Subdivision	\$1,355 + \$395 per lot	For subdivisions with a greater amount of lots a per-lot discounts exists
Legal documents registered with Land Title Office	\$1,505 per document (or actual costs)	
<b>Building Department</b>		
Building Permit fee	\$214 due at application and then \$14 for every \$1,000 in construction value	Discounts are included for larger projects and projects with professionals involved and discounts for projects achieving Step Code levels above base requirements
Plumbing permits	\$98 plus \$12 per fixture	
Earthworks permit	\$303	bonding required

### Development Cost Charges

Development Cost Charges (DCCs) are levied at the time of building permit issuance for new residential units and for additional industrial or commercial floor area. DCCs are intended to help offset the cost of growth-related infrastructure, such as major water, sewer, stormwater, parks, and transportation improvements required to support new development.

Importantly, DCCs are not used to fund the maintenance or replacement of existing infrastructure. Instead, they ensure that a portion of the cost of expanding infrastructure to accommodate growth is borne by development, rather than entirely by existing taxpayers. By pooling contributions across many developments, DCC programs allow infrastructure costs to be distributed more equitably, rather than requiring individual developments to fund large, site-specific upgrades. Municipalities are also required to contribute to these infrastructure costs, reflecting the shared benefit of growth.

DCC rates are established through bylaw following a comprehensive process that includes technical analysis, financial modelling, and engagement with both the public and the development industry. DCC bylaws must also be approved by the provincial Inspector of Municipalities.

The City's most recent DCC bylaw update was adopted in 2022, at which time rates increased significantly to reflect current infrastructure costs and growth projections. The previous bylaw dated back to 2007 and had not been regularly updated, resulting in a substantial gap between collected revenues and actual infrastructure costs. Council subsequently supported inflationary adjustments in 2024 and 2025 to maintain alignment with rising construction costs.

The City has now initiated the next update cycle, as it is generally considered best practice to review and update DCC bylaws approximately every five years to ensure they remain current, accurate, and reflective of evolving growth and infrastructure needs.

The current rates are as follows:

Land Use	Unit of Charge	Transport	Water	Sanitary Sewer	Storm Drainage	Parks	Total Development Cost Charges
Small Scale Multi-Unit Residential	Per lot	\$6,825	\$6,134	\$7,267	\$0	\$4,411	\$24,637
Bare Land Strata Lot	Per lot	\$4,964	\$4,461	\$5,285	\$0	\$3,208	\$17,918
Townhouse or cluster house	Per unit	\$4,964	\$4,461	\$5,285	\$0	\$3,208	\$17,918
Apartment	Per unit	\$2,172	\$2,789	\$3,303	\$0	\$2,005	\$10,269
Apartment in C5 or C6	Per unit	\$1,390	\$1,951	\$3,303	\$0	\$2,005	\$8,649
Commercial	Per m <sup>2</sup> floor area	\$68.13	\$12.55	\$21.47	\$0	\$13.15	\$115.30
Industrial	Per m <sup>2</sup> floor area	\$21.32	\$12.55	\$21.24	\$0	\$0	\$55.11
Institutional	Per m <sup>2</sup> floor area	\$87.59	\$15.33	\$18.17	\$0	\$0	\$121.09

This table does not include some special DCC area in the hillside which add additional water DCCs in those areas.

In the setting of DCC rates projects that will be complete within a ten year horizon are included. Benchmarking with DCCs from other communities is also required to be taken into consideration. Penticton's DCCs are very competitive with other communities of our size and provide significant discounts over larger centers.

### *Changes to the collection of DCCs*

Recent changes to provincial legislation have introduced greater flexibility in the timing of Development Cost Charge (DCC) payments. In response to concerns raised by the development industry, particularly around project financing and cash flow, the Province amended the Local Government Act to allow municipalities to defer a portion of DCC payments.

Historically, DCCs were generally collected at the time of building permit issuance. Under the updated framework, municipalities now have the authority to permit developers to defer a significant portion of DCCs, up to 75% to a later stage, such as occupancy, which the City is now following.

The intent of this change is to reduce upfront costs for developers, thereby improving project viability and supporting housing delivery, while still ensuring that municipalities ultimately recover the funds needed to support infrastructure associated with growth.

### *Costs implications on development projects*

The fees outlined above represent the primary administrative charges (soft costs) associated with development applications from the City.

Should the Task Force wish to better understand how these various fees apply in practice, staff can provide examples illustrating the full range of municipal charges for a typical project. Generally, total municipal fees and charges, including Development Cost Charges (DCCs), represent less than approximately 5% of overall construction costs, based on declared construction value. When DCCs are excluded, municipal planning and permitting fees typically represent approximately 1–2% of construction costs.

### *Municipal hard costs*

In addition to these soft costs, the City, operates separate water, sanitary sewer, stormwater, and electrical utilities, each of which may require connection and servicing fees for most developments. These costs are generally considered "hard costs," as they relate directly to the infrastructure, materials, and services required to support development.

The City also requires frontage improvements, which are mandated through bylaw and must be completed at the developer's expense. These improvements typically include curb and gutter, sidewalks, boulevard landscaping, and street trees, and are designed to bring the property frontage up to current municipal standards while ensuring integration with existing infrastructure.

All of these hard costs are identified and communicated as early as possible in the development review process to support effective project planning, reduce uncertainty, and allow proponents to accurately account for servicing and infrastructure requirements. Often the City will allow a developer to source their own contractor for these works, to find a cheaper option than hiring the City to install the works. In that case, bonding for the work is required.

## Digital Approach

The division has been a leader in the adoption and integration of digital technologies to support the review and processing of development applications. The Planning Department transitioned to fully digital workflows in 2016 and the Building Department completing its transition in 2023.

The division also utilizes Bluebeam, a PDF-based software platform that enables efficient digital plan review, markup, and collaboration. This has resulted in significant improvements in review efficiency and documentation management.

All applications are managed through the City's internal system, Prospero (Tempest), which serves as the primary platform for tracking and processing development files. In addition, some building permit applications are processed through a publicly accessible, cloud-based system (Cloudpermit), enhancing accessibility and convenience for applicants. The plan is to expand the use of this cloud-based collaborative tool.

The division is also exploring opportunities to leverage emerging technologies, including artificial intelligence. Staff currently utilize tools such as Microsoft Copilot, in accordance with City IT policies. At this time, AI is not used in the formal plan review process but continues to be evaluated as a potential tool to support administrative and analytical functions.

### *Digitization of historic records*

A major ongoing initiative is the digitization of historical building permit records, many of which date back to the 1950s. This labour-intensive project involves scanning legacy paper files and transitioning them to digital storage, resulting in significant improvements in file retrieval and review processes. The benefits extend beyond internal efficiency, providing valuable access to historical building information for property owners, realtors, and design professionals, particularly for older properties lacking readily available documentation such as floor plans.

To support this effort, the division has established a dedicated file management position responsible for coordinating file requests and assisting staff with historical record retrieval and review. This role has proven to be a valuable resource for both the organization and the broader development and real estate industry.

### *GIS Mapping*

The division also makes extensive use of Geographic Information Systems (GIS) and maintains strong data integration with the Land Title and Survey Authority (LTSA) and ParcelMap BC, ensuring accurate and up-to-date cadastral (property boundary) information.

Through the City's open data portal, a wide range of spatial and regulatory data is made publicly accessible at no cost. This includes land use designations, geotechnical information, topographic contours, and other foundational datasets used in site evaluation and design.

### *Summary*

This level of digital access significantly reduces the need for in-person inquiries and supports more informed, efficient project planning by applicants, reflecting a commitment to 'digital empowerment.'

In parallel, the Division has shifted away from traditional brochures and printed materials, focusing instead on improving the clarity and usability of bylaws and digital resources to ensure that regulatory requirements are as accessible and understandable as possible.

### **Engagement with the development industry and continuous education**

The City is an active member of both the Canadian Home Builders' Association – South Okanagan (CHBA-SO) and the Urban Development Institute (UDI) Okanagan Chapter. These organizations provide valuable connections to the development industry and serve as important advocacy bodies that influence policy at the local level. The City engages directly with these groups when considering policy changes that may impact development, ensuring opportunities for early input and dialogue. Representatives from both organizations have been invited to participate in the Task Force, as well as the third-party review process.

Beyond these formal partnerships, the City maintains a comprehensive contact list of developers, builders, designers, and other professionals active in the local development community. This network is used to share newsletters and updates, solicit feedback, and invite participation in training sessions, workshops, and open houses and to communicate changes.

The City also actively supports these organizations by participating in industry events, contributing to policy working groups and subcommittees, and providing relevant data and insights, including permitting statistics and development trends, where appropriate.

#### *Continuous learning and staff professional development*

Recognizing the rapidly evolving development landscape, the City places a strong emphasis on professional development and continuous learning. Training budgets within the Division are robust and support both self-directed learning and participation in training offered by professional organizations. In addition, the City delivers internal training tailored to key competencies and emerging needs. Recent training initiatives have included topics such as leadership development, managing complex interactions, and enhancing customer service.

### **Overall Summary**

The development process is inherently complex, involving multiple moving parts, overlapping regulations, and various jurisdictions. Even relatively small projects can be high-stress undertakings for applicants. The City strives to play a constructive role in this process, as both a partner and a regulator, recognizing the value of development to the community while balancing competing priorities such as public safety, regulatory compliance, and the need for efficient and timely approvals. This responsibility is taken seriously.

The Development Services Division is supported by a team of experienced and dedicated staff, with low turnover and generally high levels of job satisfaction. The division performs at a high standard and is committed to continuous improvement. This review has been initiated in recognition of the evolving development landscape in British Columbia, as well as increasing cost pressures associated with development in Penticton.

The division is fully committed to participating in this review process and is open to recommendations that will enhance service delivery, improve efficiency, and strengthen relationships with the development community, within the framework of applicable legislation, bylaws, and Council direction.

At its core, the division is guided by a culture of continuous learning, professional development, and incremental improvement.

We welcome this opportunity to reflect on current practices and to work collaboratively with the Task Force and third party review consultants on identifying meaningful improvements.

This memorandum is intended to provide a foundational understanding of the division, its values, and the services it delivers to the community.

*Recommendation*

That the Committee receive this memorandum for information.

**Attachments**

N/A

Respectfully submitted,

Blake Laven,  
General Manager of Development Services