



Council Report

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Date: March 3, 2026 **File No:** RMS 6410-01
To: Anthony Haddad, City Manager
From: Blake Laven, General Manager of Development Services
Subject: **UBCM Local Government Development Approvals Program: Development Services Third Party Divisional External Assessment**

Staff Recommendation

THAT Council support an application for \$100,000 to the Local Government Development Approvals Program (LGDAP) for the 2026 intake, for a third party external assessment of the development services division, focussing on actionable steps to improve development approvals processes, customer service and digital integrations;

AND THAT Council direct staff to provide overall grant management, if successful with the grant application, to meet the LGDAP program requirements;

AND THAT the 2026-2030 Financial Plan be amended accordingly to incorporate the grant if approved.

Strategic priority objective

Mission: Penticton will serve its residents, businesses and visitors through organizational excellence, partnership and the provision of effective and community focused services.

Culture: We are committed to open communication, integrity, and professionalism to build public trust through excellence in all that we do. We embrace modernization, innovation and adaptability to meet the evolving needs of our community, fostering a culture of engagement and purpose.

Livable & Accessible: The City of Penticton will proactively plan for deliberate growth, focusing on creating an inclusive, healthy, and vibrant community.

Background

The Union of BC Municipalities (UBCM) Local Government Development Approvals Program (LGDAP) supports municipalities to implement best practices and test innovative approaches that improve development approvals processes while meeting local planning and policy objectives. The 2026 intake

is open until March 13, 2026. Funding can cover up to 100% of eligible costs to a maximum of \$200,000.

Development Approvals Process Review (DAPR) – 2019

In 2019, the Province initiated the Development Approvals Process Review (DAPR). Extensive local government and interest group engagement produced a comprehensive list of informed ideas for streamlining and speeding up the development approvals process. The Local Government Development Approvals Program provides support to local governments to address the DAPR report findings and adopt its recommendations.

There have been several rounds of LGDAP funding since the DAPR report was released in 2019 to support municipalities to improve their development approvals processes. The City applied for a grant in 2021 but was unsuccessful as the program was, according to the response from UBCM, “substantially oversubscribed” that year.

Purpose of Application

Staff are proposing applying to the 2026 LGDAP intake to retain a third-party consultant to evaluate current development approvals processes in the Development Services Division and make recommendations to improve those processes. The deliverable is a report outlining a prioritized strategy for measurable improvements across policy, function, process, and technology.

Proposed Consultant Scope (anticipated tasks)

The following deliverables will form the core scope of work for the report to be completed by a third-party consultant and are align with the LGDAP’s criteria:

- Interest Group Satisfaction Assessment: Design and conduct surveys/interviews/workshops with applicants (developers, builders and homeowner applicants), and internal staff to assess satisfaction, points of concern, and transparency, with comparative insights to LGDAP best practices and provincial findings from the provincial Development Approvals Process Review (DAPR).
- Organizational Review: Analyze staffing model, competencies, and roles, across Planning, Building, Development Engineering, and related functions to confirm resourcing against service demand and identify options to improve handoffs, escalation, and decision-making.
- Review of the Division’s current development approvals processes: Map current workflows (pre-application through building and/or occupancy permit), identify bottlenecks and redundancies, and propose lean process improvements, standard work, and checklists. For clarity, this includes Official Community Plan Amendments, Zoning Bylaw Amendments, Development Variance Permits, Development Permits, and Building Permits.

- Assess the impacts of recent provincial changes: Provincial changes to land use approvals and other development processes, from 2023-2025, have been incorporated into our development process in a piece meal fashion. This external analysis will look at any missed opportunities or continued redundancies from these changes.
- Digital enablement: Review the benefits of switching to the BC Building Permit Hub as opposed to continuing with our current applications processing software (Tempest and Cloudpermit).
- Performance measurement and reporting: Review our current KPI framework, quarterly reporting, and public-facing data to ensure we are tracking and reporting on the right data (permit issuance times, construction value, occupancy numbers etc.).
- Implementation roadmap: Main deliverable will be a report to be used by the General Manager to inform enhancements to development approvals processes and the Division's performance, identifying quick wins (0–6 months), near-term opportunities (6–18 months), and structural initiatives (18–36 months).

Financial implication

The funding program provides 100% of project funding. Staff are recommending a grant request in the amount of \$100,000 to complete the works, which will include the contracting of the third-party consultant, the survey work and funds available for early implementation activities.

Staff recommend that Council approve a budget amendment to accept the grant funding and allocate the corresponding revenue. The amendment would be reflected in an upcoming quarterly budget update.

Should we be unsuccessful with the grant, staff will look at the scope of work and determine if it is advisable to fund the work through other means.

Analysis

The Development Services division is a high-performing team which continues to maintain competitive development processing timelines among BC communities. We are, however, seeing increasingly complex development applications and a slow rise in processing times. For residential development, the most recent 2025 permit data shows an average approval timeline of 7 months for development permits and 2.25 months for building permits. These timelines are measured from the date of complete application to final approval and include all time spent by the City and developers on addressing permitting requirements.

The development landscape is becoming more sophisticated, with frequently changing building code requirements, new land use approvals processes, certification requirements for staff, rising legal liability, expectations around transparency, digital access, and coordination along with the increased

disruption of Artificial Intelligence (AI). Given this unique and evolving environment, this is an opportune time to hire a third party to ensure the Development Services divisional structure, processes and digital services are modernized, efficient, and timely to deliver the value to our client group (development and homeowner builders, professional services like architects and engineers etc.) and the larger community.

While the Division has long maintained a culture of continuous improvement, it has been several years since a comprehensive structural review has been conducted by an external party. Engaging a third-party consultant in 2026 will provide an objective, specialized assessment of our organizational structure (roles), workflows (processes), and technology integration, and will support the development of a clear blueprint for short, medium, and long-term improvements that can be used by the General Manager to lead further divisional improvement.

This project is aligned with the City’s values of modernization, reputation and open communication.

This work will help ensure that the Development Services Division continues to deliver high-value service to the community.

This proposed initiative is fully aligned with the 2026 UBCM LGDAP granting program criteria, which encourages local governments to modernize development processes, adopt innovative tools, and improve efficiency and clarity in their development approvals processes.

Accordingly, staff are recommending that Council provide formal support for the grant application and provide direction on the associated budgetary impacts.

Next Step – if successful with the grant, staff will issue an RFQ (or similar) and have the review complete within one year of being awarded the grant (estimated summer 2027).

Alternate recommendations

N/A

Attachments

Attachment A – LG Development Approvals Program – Application Guide

Respectfully submitted,

Blake Laven,
GM of Development Services

GM Corporate Services <i>AMC</i>	City Manager <i>SLH</i>
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