

**OFFICE OF  
THE CITY AUDITOR**

# **REPORT**

## **NEIGHBOURHOOD RENEWAL PROGRAM AUDIT**

**JANUARY 15, 2026**

# Report Summary

## BACKGROUND

The Building Great Neighbourhoods Branch (the Branch), within the Integrated Infrastructure Services Department, oversees the Neighbourhood Renewal Program (the Program).

There are many aspects of a neighbourhood that get renewed during a typical renewal project, including replacing sidewalks, curbs, street lights, and repaving or reconstructing roadways.

Renewal projects are completed in a four-phase process from initial concept and design to building and operating, usually taking four to six years for completion. The Neighbourhood Renewal Process (Appendix 1) aligns with the City's Project Development and Delivery Model (PDDM) which is the approach the City uses for capital project oversight.

The Branch uses multiple methods to communicate and engage with residents living in neighbourhoods selected for renewal. The Branch's intent is to gain an understanding of the residents' vision for the future of their neighbourhood, inform them of the renewal process, and receive feedback through the Concept and Design phases.

## AUDIT OBJECTIVES & SCOPE<sup>1</sup>

The objectives of this audit were:

1. To determine if the Building Great Neighbourhoods Branch manages neighbourhood renewal projects in alignment with the City's Project Development and Delivery Model.
2. To determine if the Building Great Neighbourhoods Branch manages the public communication and engagement opportunities to control reputational risks related to neighbourhood renewal projects.

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<sup>1</sup> We conducted this engagement in conformance with the Institute of Internal Auditors' *Global Internal Audit Standards*.

The scope of this audit was any neighbourhood renewal project completed in the previous five years.

## WHAT WE FOUND<sup>2</sup>

Overall, we found that the Branch has met the audit objective of managing neighbourhood renewal projects in alignment with the Project Development and Delivery Model, although there are some areas for improvement, and has partially met the objective of managing public communication and engagement opportunities to control reputational risks.

### Objective 1

We found that the Branch develops and delivers renewal projects following established project management controls.

However, we found that the Branch can improve how it sets expectations related to the type of documentation used to support field design changes, in the delivery of renewal projects.

### Objective 2

We found that the Branch:

- Consistently carries out public communication and engagement opportunities with neighbourhoods being renewed.
- Communicates design options and decisions in a way that residents can easily understand what the proposed renewal work will be.
- Utilizes information gathered from residents to adjust renewal project designs where possible and in alignment with City policies and standards.
- Uses reports to summarize its engagement activities. These contain information that can be traced back to source material (e.g., survey results and meeting notes).

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<sup>2</sup> The Institute of Internal Auditors' *Global Internal Audit Standards* require us to report the significance and prioritization of our findings. This report contains all our significant findings and those that we deemed not significant, but that still support our recommendations. We prioritized each significant finding based on how important it is that management address the finding. This report contains only those significant findings that we prioritized as management must address, or should address.

- Consistently communicates construction updates to residents of communities undergoing renewal.

However, we found that the Branch:

- Can improve on clarifying expectations for residents in terms of how the Branch will use information gathered from engagement activities.
- Uses a multitude of typical engagement tactics, but lacks documented guidelines for when to change a particular engagement tactic, or how many additional tactics should be deployed during a particular phase.

## RECOMMENDATIONS

### Recommendation 1

We recommend that the Building Great Neighbourhoods Branch implement clear requirements for project management staff on what type of support is required as approval for the Branch's field design changes, to ensure adequate documentation is retained.

### Recommendation 2

We recommend that the Building Great Neighbourhoods Branch provide residents with additional clarity on how the Branch uses feedback during the renewal process, to reduce potential confusion around which design decisions residents can influence.

### Recommendation 3

We recommend that the Building Great Neighbourhoods Branch develop and implement guidance for determining the communication and engagement tactics that are the best fit during a particular phase of the renewal process.

## WHY THIS IS IMPORTANT

While the Branch follows established project management controls for developing and delivering renewal projects, having clear expectations and documentation to support project design changes is crucial to ensure that there is the

appropriate type of evidence to support the approval of these changes.

Establishing clear expectations for residents on how their feedback will be used, along with documenting guidelines, can prevent confusion and frustration, ensuring resident input is considered where possible.

# Neighbourhood Renewal Program

## BACKGROUND

The Building Great Neighbourhoods Branch (the Branch) operates within the Integrated Infrastructure Services Department, and oversees the Neighbourhood Renewal Program (the Program). City Council approved establishment of the Program in 2009 to create a long-term strategic approach to renewing and rebuilding aging roads, sidewalks, and street lights in existing neighbourhoods. Within the Branch there are two sections that work together on neighbourhood renewal projects:

- Neighbourhoods Planning and Design - This section is responsible for developing the high-level designs that the Program will use for a renewal project.
- Neighbourhoods and Open Spaces Infrastructure Delivery - This section is responsible for taking the high-level designs from the planning and design team, creating detailed designs, and then delivering the projects.

By the end of 2025, the Branch has reconstructed, or started reconstruction projects in 68 neighbourhoods.

On average, from 2022 to 2024 the Branch spent approximately \$178 million per year. In 2025 the Program had a budget of \$250 million.

## TYPICAL RENEWAL ACTIVITIES

During a typical renewal project there are many aspects of a neighbourhood that get renewed. These include:

- Replacing sidewalks.
- Replacing curbs and gutters.
- Repaving or reconstructing roadways.
- Replacing street lights.
- Constructing accessibility and safe mobility features, such as curb extensions or raised cross walks.
- Constructing active mode infrastructure, such as bike lanes or shared use pathways.

## ASSESSMENT AND PRIORITIZATION

The City uses both visual and physical assessment to determine the condition of roads, curbs, and sidewalks. The conditions of individual infrastructure sections are assigned a graded score, which are then averaged across the neighbourhood to set a neighbourhood grade. The Branch uses this information to identify neighbourhoods in need of renewal, as opposed to solely using the neighbourhood's age. In addition to the neighbourhood grade, the Branch also prioritizes and schedules renewal projects based on:

- Policy Direction.
- Budget considerations.
- Maintenance history.
- Underground infrastructure condition.
- Coordination opportunities with utility partners.

## NEIGHBOURHOOD RENEWAL PROCESS

Renewal projects are completed in four phases. Each phase has various forms of public engagement and communication.

1. **Concept** - This phase is focused on starting the conversation with residents, with the Branch informing residents about the Program, inviting their input to help the Branch understand the neighbourhood's needs and gaps, and developing a project vision.
2. **Design** - This is the phase in the process when the Branch decides what renewal work it will complete. As part of this phase, they identify roads and pathways to be re-built, resurfaced, or newly constructed. The Branch shares drafts of project drawings and invites residents to provide feedback. Residents will also decide on any optional decorative street light upgrades and sidewalk reconstruction that can be constructed as part of a renewal project.
3. **Build** - Project construction takes place during this phase. The Branch informs residents about the start of construction and provides periodic updates regarding the progress being made.
4. **Operate** - This phase begins when the project is

complete. At this point the Branch's work is also complete.

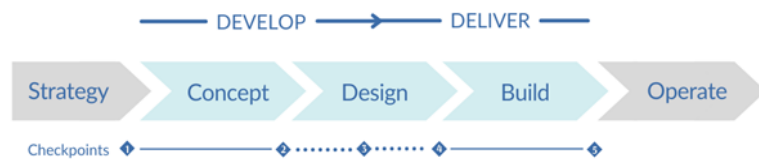
Appendix 1 includes a visual representation of the activities performed in these phases.

## PROJECT MANAGEMENT

The Neighbourhood Renewal Process aligns with the City's Project Development and Delivery Model (PDDM). This is the approach the City uses for its capital project oversight. The model includes five checkpoints to guide a project's Develop and Deliver phases.

As illustrated below, the Design and Deliver phases align with the Branch's three primary project phases of Concept, Design, and Build.

**Figure 1: Project Development and Delivery Model**



The Neighbourhoods Planning and Design Section is responsible for the Develop checkpoints and the Neighbourhoods and Open Spaces Infrastructure Delivery Section is responsible for the Delivery checkpoints. The three primary PDDM phases along with the final Operate phase directly align with the four phases of the Neighbourhood Renewal Process.

The PDDM model provides:

- A formal review process at several stages of each project.
- A requirement for deliverables including mandatory project management controls.
- Flexibility on which additional deliverables are to be included.



For each checkpoint, a project manager will perform a series of project management controls to assess the project readiness to proceed to the next phase.

For example, at checkpoint 4 between Design and Build, a project manager must check for deliverables such as project schedule, tender-ready drawings, and a completed project hazard assessment.

## **PUBLIC COMMUNICATION AND ENGAGEMENT**

The Branch uses many inclusive and accessible methods, referred to as communication and engagement tactics, to interact with residents living in neighbourhoods selected for renewal. The Branch's intent is to gain an understanding of the residents' vision for the future of their neighbourhood, inform them of the renewal process, and receive feedback through the Concept and Design phases. These tactics can include larger in-person events, one-on-one conversations with interested parties, online information pages and surveys, pop-up engagement events in the community, postcards, and e-mail/telephone contact.

The Branch uses public communication and engagements throughout the Concept, Design, and Build phases of a neighbourhood renewal. It groups Concept and Design together and has a separate engagement plan from the Build phase. During Concept and Design the engagement plan focuses on both receiving and sharing information, whereas the Build phase is focused on providing outward communication to residents.

During all phases, the Branch uses a communication and engagement spectrum, consisting of a range of increasing public influence:

- **Advise** - The Branch consults with residents to share feedback and perspectives that the Branch will consider for projects.
- **Refine** - The Branch involves residents to adapt and adjust approaches to projects.

- **Create** - The Branch collaborates with residents to develop and build solutions regarding projects.
- **Decide** - The Branch empowers residents to make decisions directly about projects.

The Branch intends to use this spectrum to aid in navigating and communicating the extent to which residents can influence decisions at a particular step within the Neighbourhood Renewal Process. However, in some steps City policies, neighbourhood context, or technical considerations may require the Branch to design neighbourhoods in a particular way that limits the ability to consider public input. For example, the City's Complete Streets Policy requires the Branch to construct sidewalks on both sides of the street. In this case, residents would not be able to influence whether a new sidewalk would be added where it was previously missing from one side of the street.

# Implement Field Design Change Expectations

## KEY FINDINGS

The Branch's Neighbourhoods Planning and Design Section develops renewal projects following established project management controls. For example, the Branch:

- Follows the City's PDDM process, specific to the Develop phase.
- Supports PDDM checkpoint deliverables with clear and easy to understand documentation.

The Branch's Neighbourhoods and Open Spaces Infrastructure Delivery Section executes renewal projects following established project management controls. For example, the Branch:

- Follows the PDDM process specific to the Delivery Phase.
- Uses purpose-built templates for key deliverables within PDDM checkpoints.
- Applies contractual penalties based on the quality of asphalt and concrete.

However, we found the Branch can improve its requirements related to the types of documentation used to support changes in the delivery of renewal projects.

## LACK OF CHANGE MANAGEMENT SUPPORT REQUIREMENTS

The Branch has a documented guideline that outlines when it considers a consequential field design change to the project and the steps project management staff need to take to ensure they approve and implement those changes. However, the guideline does not provide clear expectations around how to sufficiently support and document each of the steps within it.

We found the Branch project management staff made use of a wide range of documentation types to support changes. For example, a signed change order, meeting minutes discussing the change, and a saved chat message with a project engineer. It is unclear if meeting minutes or chat messages are sufficient support to authorize a change or if further documentation is needed.

### WHY THIS IS IMPORTANT

It is important to have clear expectations outlining what type of support is required for a project field design change, to ensure that there is the appropriate type of evidence to support the approval of these changes.

### RECOMMENDATION 1

Implement clear requirements for project management staff on what type of support is required as approval for the Branch's field design changes, to ensure adequate documentation is retained.



#### Responsible Party

Branch Manager, Building Great Neighbourhoods



Accepted by Management

**Management Response**

Administration accepts Recommendation 1. The Branch has a robust guideline that outlines when it considers a consequential field design change to the project and the guideline is consistently followed through the construction phase of neighbourhood renewal projects. In addition to these measures, the Branch will create and implement a procedure that outlines the type of documentation required for a field design change to ensure consistency across projects.

**Implementation Date**

October 31, 2026

# Improve Engagement Clarity and Document Tactics

## KEY FINDINGS

The Branch consistently carries out public engagement and provides construction updates to residents of neighbourhoods going through the renewal process.

The Branch uses information gathered from residents, along with technical considerations, City policies and standards, to design renewal projects. For example, the Branch:

- Uses feedback from earlier phases such as exploring trade-offs and opportunities to aid in creation of draft designs.
- Incorporates feedback received on draft designs to make changes for the final design used in construction.

The reports the Branch uses to summarize engagement activities were consistently tied to source material (e.g., survey results and meeting notes).

However, we found that the Branch:

- Does not provide residents with practical and understandable expectations of how it uses information gathered from engagement activities.
- Does not have documented guidelines describing when to use different engagement tactics, or how many additional tactics should be used within a phase of the renewal process.

## IMPROVE FEEDBACK CLARITY

The Branch follows the City's public engagement framework, which uses a spectrum to describe the level of public influence for a particular engagement activity.

The Branch also consistently communicates to residents which level of the engagement spectrum they are currently operating

in. They typically do this by including it on the cover page or in a longer explanation in the engagement material.

However, it may not be clear what the different levels of the spectrum mean in terms of how resident feedback influences the Branch's neighbourhood renewal design decisions.

The Branch should clearly explain to residents how it will use their feedback. Providing clear expectations can help reduce confusion around which design elements residents can influence. This is illustrated in the following examples.

#### Example 1 - Options and Trade-Offs

During one renewal project the Branch communicated to residents they were engaging at the Refine engagement spectrum level. This is the stage when residents are involved by the Branch to adapt and adjust approaches to projects. The Branch asked residents if two different design options would meet their needs. The Branch also asked residents to provide comments on whether they support, could support, or do not support the options, and on any benefits or trade-offs related to the options.

However, it was not clear how the Branch would use the results of the feedback to refine the options. Ultimately the draft design included a combination of both options.

#### Example 2 - Draft Design

During another renewal project the Branch communicated to residents they were engaging at the Advise engagement spectrum level. This is the stage when the Branch asks residents to share feedback and perspectives that are considered for the project. In this case the Branch asked residents to provide their comments on the benefits and impacts of the draft design (such as a park space or pathways).

However, it was not clear how the Branch planned to use the benefits and impacts provided by the residents to advise the finalization of the design.

**WHY THIS IS IMPORTANT**

Providing clarity for residents on how their feedback will be used is important because it eliminates confusion and reduces frustration. Residents will understand which aspects of renewal designs they can influence, and when residents know their input is valued and how it fits into the process, they are less likely to feel their feedback is not being heard or used.

**RECOMMENDATION 2**

Provide residents with additional clarity on how the Branch uses feedback during the renewal process, to reduce potential confusion around which design decisions residents can influence.

**Responsible Party**

Branch Manager, Building Great Neighbourhoods



Accepted by Management

**Management Response**

Administration accepts Recommendation 2. The City's Public Engagement Spectrum explains the various roles the public can have when participating in public engagement activities, and is consistently followed throughout the neighbourhood renewal process. The Branch will provide additional details to further clarify to residents how feedback gathered during public engagement is used in design decisions.

**Implementation Date**

October 31, 2026



## ENGAGEMENT TACTICS

The Branch uses many communication and engagement tactics to communicate and engage with residents living in neighbourhoods being renewed. They use a tailored approach to match the needs of each community. For example, the Branch:

- Has community conversations with residents and business owners from the area.
- Creates information booklets that provide high level details of a draft design.
- Sends letters to residents outlining changes the Branch will be making to roads, parks, or sidewalks in their immediate area.

However, the Branch does not have documented guidelines that outline which tactics the renewal project teams could use and when to use them.

Without the Branch having documented guidelines, we were unable to confirm whether they used the appropriate type of engagement tactics.

## WHY THIS IS IMPORTANT

Documented guidelines for when to use the various engagement tactics in the Branch's neighbourhood renewal projects will support the use of appropriate approaches across projects, and support the Branch in the evaluation of the effectiveness of the engagement tactics.

## RECOMMENDATION 3

Develop and implement guidance for determining the communication and engagement tactics that are the best fit during a particular phase of the renewal process.



### Responsible Party

Branch Manager, Building Great Neighbourhoods



Accepted by Management

**Management Response**

Administration accepts Recommendation 3. The City has a comprehensive Public Engagement Framework that guides the approach to engagement activities used to gather input, and is consistently followed throughout the neighbourhood renewal process. The Branch will document the various tactics used and create guidelines to assist project teams with determining the appropriate additional tactics for a renewal project, as required.

**Implementation Date**

October 31, 2026

**ACKNOWLEDGEMENT**

We would like to thank the staff in the Building Great Neighbourhoods Branch for their collaboration and cooperation during this audit.

## Appendix 1 – Neighbourhood Renewal Process

### Road Map to Building Great Neighbourhoods



Source: [Public Engagement and Communication During Neighbourhood Renewal](#)