



## STAFF REPORT ACTION REQUIRED

### Funding of Staff Project Management Costs of Heritage Conservation District Studies from Sections 37 and 45 Community Benefits

<b>Date:</b>	March 5, 2012
<b>To:</b>	City Council
<b>From:</b>	Chief Planner and Executive Director, City Planning
<b>Wards:</b>	All
<b>Reference Number:</b>	Cc12010

#### **SUMMARY**

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On February 16, 2012, City Planning staff was requested by Planning and Growth Management Committee (Item PG11.5) to report directly to City Council on how to use Section 37 funds secured for Heritage Conservation Districts (HCDs) to create greater capacity in Heritage Preservation Services to "process and approve HCDs". As a result of an Official Plan Amendment approved for this express purpose, HCD studies and plans are eligible to be funded through Section 37/45 funds, and thus staff project management costs of the studies are also eligible to be funded.

Current Council policy authorizes up to 10% of the budget for capital projects to be used to fund staff costs for management of the capital projects. Staff recommends that City Council similarly authorize up to 10% of Section 37 and Section 45 funds budgeted for HCD studies and plans to be used for the staff project management costs enhancing capacity of Heritage Preservation Services staff to produce HCD studies and plans.

#### **RECOMMENDATIONS**

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##### **City Planning staff recommends:**

1. That City Council authorize up to 10% of the Section 37 or 45 funds budgeted for Heritage Conservation District studies be used for staff project management costs of those studies.

## **Financial Impact**

The recommendations of this report will have no financial impact beyond what has already been approved in the current year's budget. Further City Planning Operating Budget approvals to fund Heritage Conservation District studies, using Section 37 and/or 45 funds as the source of funds will be required to implement the recommendation, with no net increase in the approved Operating Budget.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

At its February 16, 2012 meeting, Planning and Growth Management Committee considered Item PG11.5, Heritage Conservation Districts in Toronto: Procedures, Policies and Terms of Reference. The Committee adopted the item with amendments. In doing so, the Committee made the following request, among others:

"Requested the Chief Planner and Executive Director of City Planning to report to Council on March 5, 2012, on how to use Section 37 funds secured for HCDs to create greater capacity in Heritage Preservation Services to process and approve HCDs."

The link to Item PG11.5, including the complete recommendations of the Planning and Growth Management Committee, is as follows:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PG11.5> .

## **ISSUE BACKGROUND**

City Planning staff forwarded a report dated November 18, 2011 to the February 16, 2012 meeting of Planning and Growth Management Committee, entitled "Heritage Conservation Districts in Toronto: Procedures, Policies and Terms of Reference". The links to that report and a related appendix can be found by following the link shown above and referring to the Background Information section, or directly at the following links:

<http://www.toronto.ca/legdocs/mmis/2012/pg/bgrd/backgroundfile-44973.pdf>

Attachment 1 Heritage Conservation Districts in Toronto

<http://www.toronto.ca/legdocs/mmis/2012/pg/bgrd/backgroundfile-44992.pdf>

## **COMMENTS**

### **Introduction**

An Official Plan Amendment was initiated by staff at the request of Planning and Growth Management Committee, and ultimately approved by the Ontario Municipal Board in late 2009, which authorized the Section 37 funding of specific Heritage Conservation District (HCD) studies. Funds have been secured under both Sections 37 and 45 of the Planning Act that have been, and could be, used for carrying out HCD studies. An HCD study includes the research and documentation necessary to formulate an HCD Plan, as well as the production by the heritage consultant of the draft HCD Plan itself.

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Generally, if a community organization has the capacity to oversee the study, Section 37/45 funds are provided to that organization, which in turn hires a heritage consultant to carry out the HCD study. Heritage Preservation Services (HPS) staff within City Planning work with the community organization and its consultant to guide the process and advise on requirements. HPS staff then processes the documents produced and ultimately recommends to City Council the approval of an HCD Plan and the designation of a Heritage Conservation District, where appropriate.

Where the capacity or will does not exist for a community organization to oversee the study, HPS staff can directly hire and oversee the work of the heritage consultant in carrying out the study. The administrative functions related to review and processing the documents resulting from the HCD study, through to Council adoption of an HCD Plan and designation, would be an HPS staff responsibility under both scenarios.

### **Appropriateness of Using Sections 37 and 45 Funds for Staff Project Management Costs of Completing HCD Studies.**

The consultant oversight or project management functions, including the preparation of terms of reference, are an integral component of the carrying out of an HCD study. As with the design and project management costs in the case of a capital project, such consultant oversight/project management is a legitimate cost of the HCD study process, and is eligible to be funded through Sections 37 and 45 funds secured and received for HCD studies.

### **Up To 10% of Sections 37 and 45 Funds for Staff Project Management Costs of HCD Studies**

There is an existing Council-adopted policy related to the funding of staff costs associated with capital projects, which establishes a maximum for the funding of such costs at 10% of the approved budget for the capital project. Staff recommends a similar limit on the funding of staff costs for project management of HCD studies, meaning that up to 10% of the Section 37 or 45 funds budgeted for HCD studies would be eligible for funding the staff project management costs.

The costs of completing an HCD study are estimated to range from \$35,000 to \$150,000, depending upon the size and complexity of the study area. When funds are secured in Section 37/45 agreements or in Committee of Adjustment minor variance (Section 45) approval conditions for HCD study purposes, they are secured for specific HCD studies or for HCD studies within specific areas, as is required by Official Plan Section 37 policy. In some cases, funds are secured for multiple purposes which include specific HCD studies, so in those cases the amount available for the HCD studies would depend on how City Council ultimately budgets those multi-purpose funds. The Ward Councillor is usually influential in that budget allocation.

Currently, there is approximately \$1.4M in S.37/S.45 funds on hand, from 13 development approvals that could potentially be used for HCD studies and plans. However \$0.9M of this funding is from 6 development approvals for multi-purpose

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funding where the other purposes may be allocated some or all of the funds through the budget approval process. In addition, \$0.5M in 5 approvals has been secured but not yet received for specific HCD studies, and \$3.1M in 5 projects for multi-purpose funding that includes HCD studies has been secured but not yet received.

## **Conclusions**

As a result of an Official Plan Amendment, HCD studies and plans are eligible to be funded through Section 37/45 funds, and thus staff project management costs of the studies are also eligible to be so funded.

Current Council policy authorizes up to 10% of the budget for capital projects to be used to fund staff costs for management of the capital projects. Staff recommends that City Council similarly authorize up to 10% of Section 37 and Section 45 funds budgeted for HCD studies to be used for the staff project management costs. That will enhance capacity of Heritage Preservation Services staff to produce HCD studies and plans.

## **CONTACT**

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## **SIGNATURE**

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