
2013 CAPITAL BUDGET BRIEFING NOTE

Use of Section 37 Funding in the Parks, Forestry and Recreation (PF&R) Capital Plan

Issue/Background:

- At the December 3rd, 2012 meeting, Budget Committee requested that the General Manager, Parks, Forestry and Recreation, provide a briefing note on the impact of Section 37 funding on Parks, Forestry and Recreation's ability to accommodate growth and state of good repair in transit node areas.
- Section 37 of the Planning Act permits the City to authorize increases in permitted height and/or density through the zoning bylaw in return for community benefits, provided that there are Official Plan policies in place.¹
- Often, the Section 37 funds are generated within or in proximity to "transit node areas".
- Community benefits should be for "specific capital facilities"²; should have "a reasonable planning relationship"³ to the contributing development including an "appropriate geographic relationship"⁴ (should be in the local area); and it should be "durable".⁵
- Operating, programming, and day to day maintenance funds are considered not durable and are not appropriate community benefits.
- A negotiated Section 37 agreement however, could provide for state of good repair work, for example, new windows, doors and a roof to a local community asset.
- In order to spend Section 37 funds, they must be added to a council-approved budget. When Section 37 funds are received, City Planning sends a notification email. PF&R then works with the councillor's office and stakeholders to determine when the funds are to be added to the Capital Plan. PF&R reconfirms with City Planning that the intended use of the Section 37 funds is aligned with the agreements and bylaws and then PF&R confirms with Accounting Services that the funds have been received.

¹ <http://www.toronto.ca/planning/section37.htm>

² Source: City Planning Division Policy and Research Section. "Implementation Guidelines for Section 37 of the Planning Act and Negotiating Protocol" *City of Toronto: City Planning*. 19-20 Nov. 2007.
http://www.toronto.ca/planning/pdf/s37_consolidation_080117.pdf 6 Dec 2012.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

Key Points:

- From 2008-2012, approximately \$25.829 million in Section 37 funding has been approved by Council in PF&R's capital budgets for service improvement and growth related projects.
- In the proposed 2013 Capital Plan and 2014-2022 Forecast, approximately \$10.304 million in Section 37 funding has been budgeted.
- To date there is approximately \$53.649 million in Section 37 funding that is potentially related to PF&R that has been received but not yet allocated to a capital budget. These Section 37 funds have been generated by developments across the city. The benefits are generally specific to the ward (or area) in which the funds are generated, as set out in the Planning Act and the funds are allocated according to the developer agreements.
- Once the Section 37 funds are received, PF&R staff work with Councillors to determine when the funds are to be added to the Capital Plan. To date the best system is to identify these projects in the next available capital budget cycle. PF&R confirms with City Planning and Accounting to ensure use of the Section 37 funds are aligned with the agreements and that funds have been received.

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