



PGM – February 27, 2014

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Improvements to the Section 37 Implementation Process

Planning and Growth Management Committee

Study Objectives

- To create recommendations to improve the implementation process for existing Section 37 policies.
- Focus on issues of clarity, consistency, and transparency.

Study Process

- Consultant's report and recommendations developed from a review of background research, and consultation with:
 - Councillors
 - Senior City Staff across multiple Divisions
 - Development industry

1. Rationale for Section 37

- Section 37 represents a useful and valuable tool for achieving community benefits related to development approvals.
- Section 37 represents an integral component of '*good planning*'.
- Clear consensus heard during consultations on the value Section 37 brings to the planning process.

2. Reasonable Planning Relationship

- The OMB consistently rules that Section 37 funds must be localized to the subject development.
- Current City Section 37 implementation guidelines that make reference to this “planning relationship” requirement need further clarification.

2. Reasonable Planning Relationship

Recommendation:

1. An appropriate geographic relationship exists if one or more of the following criteria are applicable:
 - a) The contributing development is located within the catchment area of the facilities being constructed or improved as a community benefit;
 - b) The contributing development is located within the community or neighbourhood that benefits from the provision of the community benefits;
 - c) The occupants of the contributing development will have the opportunity to use the facilities being constructed or improved;
 - d) The contributing development will benefit from the provision of the community benefits, possibly through increased value, or enhanced marketing or business opportunities.

3. Standardized Valuations and Contributions

- There is a need for a more consistent and transparent approach to Section 37 benefits.
- Current process results in significant resource inputs and creates unpredictability for Staff, Councillors, and developers.

3. Standardized Valuations and Contributions

Recommendation:

5. City Council reiterate its request to the Province to introduce new language under Section 37 of the Planning Act that enables municipalities to establish a value-based formula or quantum approach for the use of Section 37.

4. Base Density

- Section 37 valuations are generally considered to be based on the zoning bylaw.
- Currently, base densities are absent in Toronto's Official Plan but do exist in many Secondary Plan and Site and Area Specific policies.

4. Base Density

Recommendation:

2. The City Planning Division continue to consider the incorporation of base densities and a schedule of community benefits related to increasing density through a quantitative formula when updating Secondary Plan policies and/or site specific and area Official Plan policies for areas of the City as appropriate.

5. Assessment of Community Needs

- The City currently lacks a systematic approach to identifying community benefits.
- Existing Section 37 Protocol recommends that Councillors work in collaboration with the community, and City Divisions, to prepare an assessment of potential Section 37 community benefits.

6. Flexibility on Section 37 Expenditures

- In the past, a lack of flexibility with regards to Section 37 funds has been problematic in certain instances.
- Staff now include a standard clause in Section 37 agreements that enables funds unspent three years after development approval to be reallocated.

7. Transparency

Recommendation:

3. The Chief Planner be requested to prepare public education materials that explain the City's process for securing Section 37 community benefits.
4. The Chief Planner be requested to prepare an annual report summarizing the previous year's achievements regarding Section 37 community benefits.

8. Heritage Conservation and Rental Housing Protection

- Heritage conservation and rental housing protection are addressed in Section 37 agreements.
- Agreements are used as legal mechanisms to secure compliance with other sections of the Official Plan as well as to achieve higher levels of conservation and protection.

9. Delivery of Community Benefits

- Challenges have arisen in ensuring that received funds are distributed to their intended destination in a timely way.
- Staff will be applying dedicated resources to the monitoring and reporting of Section 37 and 45 benefits.

Next Steps

1. Develop public education materials in Section 37.
2. Develop Section 37 Annual Report.
3. Prepare letter to Province requesting amendments of Section 37 of the Planning Act.



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