

City Council

MM11.28	ACTION			Ward: 13
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Authorization to Release Section 37 Funds from the Development at 176-178 Front Street East and 33 Sherbourne Street to Anishnawbe Health Toronto - by Councillor Chris Moise, seconded by Councillor Dianne Saxe

** This Motion has been deemed urgent by the Chair.*

** This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

Recommendations

Councillor Chris Moise, seconded by Councillor Dianne Saxe, recommends that:

1. City Council increase the Approved 2023 Operating Budget for Non-Program by \$1,066,666 gross, \$0 net, for the purpose of providing one-time capital funding to Anishnawbe Health Toronto for improvements to the Indigenous Community Hub facility at 425 Cherry Street (Cost Centre: NP2161), fully funded by Section 37 (Planning Act Reserve Fund) community benefits collected from the development at 176-178 Front Street East and 33 Sherbourne Street for community facilities (Source Account: XR3026- 3701237).
2. City Council direct that the funds be forwarded to Anishnawbe Health Toronto upon the signing of an Undertaking that governs the use of the funds and the financial reporting requirements.

Summary

I am requesting that \$1,066,666 in section 37 funding secured through the development at 176-178 Front Street East and 33 Sherbourne Street be directed to Anishnawbe Health Toronto. This will maintain the financial commitment that the City Council made to partially fund a new Toronto Aboriginal Hub in the West Don Lands, funding which had been threatened due to the introduction of the Community Benefit Charge under Bill 108, More Homes, More Choice Act, 2019.

In February 2021, City Council approved a settlement with the developer of 31R Parliament Street, 370 Cherry Street and 370R Cherry Street before the Ontario Land Tribunal. As part of that settlement agreement, \$3.2 million dollars in section 37 was to be secured at the Ontario Land Tribunal as part of the settlement, of which one third (\$1,066,666) was to be provided for “improvements to the Toronto Aboriginal Hub in the West Don Lands.” This hub was for Anishnawbe Health Toronto’s future facility at 425 Cherry Street. Anishnawbe Health Toronto proceeded with their project under the assumption these funds would be distributed to them prior to the completion of the hub.

Last term, Bill 108, More Homes, More Choice Act, 2019 received royal assent provincially. Amongst many changes, section 37 was to be replaced by the new Community Benefit Charge

that sought to remove the negotiation between municipalities and developers on what appropriate community benefits would be. Instead of negotiating on a site-by-site basis, Community Benefit Charges are instead a flat fee that was based off a small percentage of the land value of the site. The province did not implement the Community Benefit Charge right away, instead releasing regulations in 2021.

These regulations specified that Section 37 provisions regarding height and density bonusing remained in effect until a municipality passes a Community Benefit Charge By-law or until September 18, 2022. City Council adopted a Community Benefit Charge by-law in July 2022.

Earlier this year, Anishnawbe Health Toronto reached out to the City to request the Section 37 funds that were secured under the 2021 settlement agreement for 31R Parliament Street, 370 Cherry Street and 370R Cherry Street. It was then discovered that while City Council had agreed to the settlement in February 2021, that settlement was not ratified by the Ontario Land Tribunal ahead of the Community Benefit Charge by-law coming into effect. The end result is that the \$3.2 million in Section 37 that was agreed to by City Council can no longer be collected.

Anishnawbe Health Toronto's new Aboriginal Hub is nearing completion, and they have reached out asking if the roughly \$1 million of funding that was to be secured for them was available. As the money can no longer be obtained through the 31R Parliament Street, 370 Cherry Street and 370R Cherry Street development, I am requesting that these funds instead be taken from the development at 176-178 Front Street East, which has available monies that can be used "towards local streetscape, parkland and/or community facilities within proximity of the subject site in the Ward."

This motion is urgent as Anishnawbe Health Toronto requires the funding as soon as possible, as their new hub is nearing completion.

Background Information (City Council)

Member Motion MM11.28