

Appendix E – Community Benefits Charge (CBC) Allocation Framework

CBC Collections and Allocations

The City had previously estimated it will receive \$35 million annually in CBCs once fully implemented, subject to annual market volatility. As of Q3 2025, **\$8.492 million**, when considering refunds, has been collected.

Through the 2025 Budget process, a total of \$5.934 million of CBC funding was approved for growth-related priorities across key areas as outlined below.

- **Parks and recreation:** \$2.000M allocated to support improvements in four parks. These investments were made based on ward-specific priorities, aligned with the geographic origin of CBC contributions and proportional to the amount collected in each area.
- **Public realm:** \$2.000M earmarked for neighbourhood improvement projects to be delivered through Transportation Services. These funds will be distributed using a ward-specific approach, informed by Councillor collaboration with the division to identify targeted enhancements.
- **Affordable housing:** \$1.934M allocated to support affordable housing initiatives. Funding was distributed on a proportional ward-specific basis, aligned with the geographic origin of CBC contributions and identified housing needs.

With \$5.934 million, or 70%, of the \$8.492 million CBC allocated, \$2.558 million is the remaining balance in the CBC Reserve Fund.

The following tables provide CBC collections by ward and activity in the CBC Reserve Fund as of Q3 2025.

Table 1: CBC Ward Collection

Ward #	Ward	CBC Collected (\$M)*
3	Etobicoke-Lakeshore	1.715
4	Parkdale-High Park	0.971
9	Davenport	0.888
12	Toronto-St. Paul's	2.461
13	Toronto Centre	1.299
14	Toronto-Danforth	0.716
20	Scarborough Southwest	0.420
24	Scarborough-Guildwood	0.022
Net Total		8.492**

*Net collections after refunds

**Net total differs from the June 30, 2025, balance due to timing differences
And the inclusion of amounts collected as of August 31, 2025

Table 2: CBC Reserve Fund Activity

CBC Fund Overview	Amount (\$M)
Total Gross CBC Collected	9.434
Total CBC Refund	(0.942)

Total Allocation	(5.934)
<i>Parks and recreation</i>	<i>(2.000)</i>
<i>Public realm</i>	<i>(2.000)</i>
<i>Affordable housing</i>	<i>(1.934)</i>
Remaining Balance	2.558

Given the City's recent experience with refunds, a provisional amount will be kept in the CBC Reserve Fund going forward. Staff will continue to monitor the fund and collaborate with divisions and Councillors to identify strategic investment opportunities that align with both legislative obligations and City priorities.

Legal Framework

City Council requested clarification on the provincial requirements associated with the Community Benefits Charge Framework and options available to the City to use community benefit charges to address the local impacts of intensification and population growth.

The notion of a Community Benefits Charge Framework, which staff understand to be a policy to establish the manner in which CBC money is spent, is not a document recognized under the Planning Act. The Planning Act is the only legislation that governs CBCs and it is very limited in terms of requirements for spending. The Act requires funds to be held in a special account, authorizes such funds to be invested in securities, requires a municipality to allocate or spend at least 60% of the monies held in the account annually and requires municipalities to report on how such monies are spent.

The requirement for reporting is further detailed through O.Reg. 509/20 which indicates that the report must detail balances and all transactions relating to the account, statements identifying, facilities, services and matters acquired during the year with funds from the special account including amounts spent, and the manner in which any capital cost not funded from the special account was or will be funded.

There is no further detail respecting what constitutes a facility, service or matter. The language of the regulation does suggest that CBCs should be spent on capital costs, only. Further, the City's Official Plan was never updated to specify how CBC funds should be spent.

The Planning Act does require that a municipality prepare a "Community Benefits Strategy" prior to adopting a CBC bylaw, which the City of Toronto has completed. The strategy must identify the facilities, services and matters that will be funded with CBCs. The Act does not expressly require that CBC funds be spent solely on those matters identified in the Strategy, however. It is also noted that the strategy is only required prior to the initial adoption of the CBC bylaw, but there is no requirement for the strategy to be updated which suggests that at a certain point in time it will lose its relevance and cannot be relied upon for direction on spending.

Where a CBC allocation to a specific facility, service, or matter does not immediately cover the full capital cost, it may remain allocated to an unfunded capital project until such time as the project is prioritized for implementation (i.e., becomes 'above the line' as a funded capital project). While the legislation does not explicitly restrict the pooling or holding of CBC funds for future use, it is important to consider how this approach aligns with the requirement to allocate or spend at least 60% of the CBC account annually. From a financial planning perspective, it may be advisable to maintain broader allocations to

preserve flexibility and avoid tying funds to projects that may remain below the line for extended periods.

In summary, while not an absolute requirement, it is advisable that CBC funds be spent on facilities, services and matters identified in the Community Benefits Strategy. The Strategy may also be a useful tool to guide spending on a geographical basis as it identifies growth related need on an area specific basis.

Mechanism for Aggregating CBC Funds to Support Local Growth

Council also requested staff consider a mechanism to aggregate Community Benefits Charge funds from multiple developments within a ward toward a local community amenity to support population growth.

The CBC Allocation Framework recognizes that many developments—particularly small-site or infill projects—generate modest contributions. To address this, the Framework permits CBC funds from multiple developments within a ward to be aggregated and directed toward shared local amenities that address growth-related needs, providing projects align with the City's CBC Strategy. While CBC contributions will generally be directed to projects within the same ward to maintain a connection between development and local benefit, the Framework also enables aggregation across adjacent areas where appropriate. However, while aggregation is possible, the City does need to ensure it continues to meet the legislative requirement to allocate or spend at least 60% of the CBC Reserve Fund annually.

The process for aggregation is integrated into the broader CBC allocation process as noted above, with opportunities identified, assessed, and recommended in coordination with divisions and Councillors, and brought forward through the annual budget or in-year adjustments, as appropriate.

This mechanism ensures that modest contributions from individual developments can be combined to deliver meaningful local amenities. It promotes fairness across wards with varying development activity and provides a clear, transparent process for decision-making.

Collaborative Allocation Process

CBC allocations are primarily made through the City's annual budget process. Councillors are encouraged to collaborate with City divisions to identify growth-related capital needs in their communities and to understand available CBC balances. Divisions may submit eligible capital requests through the 10-Year Capital Budget and Plan. To support this process, the Financial Planning division, in collaboration with the Chief Financial Officer and Treasurer, will provide an annual memo to Councillors and division heads prior to budget submissions. This memo will outline CBC collections by ward, currently approved allocations, and the remaining reserve fund balance available for potential allocation through the upcoming budget process.

All requests are assessed by the Financial Planning division in consultation with the Chief Financial Officer and Treasurer and City divisions and agencies. The goal is to ensure that projects are ready to move forward, funds are distributed fairly, and investments align with the City's broader priorities within the 10-Year Capital Budget and Plan. While current CBC revenues are still relatively modest, this process will become increasingly important as contributions grow.

Importantly, any project funded by CBCs must be fully financed before it's added to the capital plan—consistent with the City's stage-gating approach to capital budgeting. Staff are available to support both budget submissions and in-year adjustments, helping to ensure that projects with CBC funding, consistent with all approved capital projects, are aligned with City priorities and ready for delivery.

Relationship to In-Kind Contributions Framework

Council's request for information also sought an analysis of how the CBC Allocation Framework and the In-Kind Framework relate to each other, and how this framework should account for local circumstances, including developments on small sites.

The [In-Kind Contributions Framework](#), developed by City Planning and approved by City Council, operates in parallel to the cash-based CBC Allocation Framework. While the CBC framework manages financial contributions, the In-Kind framework governs developer-delivered community infrastructure. Both aim to fulfill growth-related capital needs and will be aligned to avoid duplication and ensure consistency. City staff determine local infrastructure and capital facilities needs through the capital budget process as well as through area studies and consultation with local communities.

When considering community benefit priorities for a site, factors include whether needs are best met by an in-kind contribution or CBC funds, the suitability of the location (including site size), and whether needs are better addressed on the development site or through a future city-building capital project. Not all sites or CBC eligible capital projects are suitable for in-kind contributions. Some sites may be too small or constrained to accommodate minimum benefit requirements, or the estimated CBC may not fully cover the cost. For instance, delivery of a new Community Recreation Centre might be better achieved by using funds from CBC eligible developments, along with other sources, rather than accepting different in-kind contributions on a site.

Future Evolution of the CBC Allocation Framework

The CBC Allocation Framework positions the City to manage CBC revenues responsibly and effectively, aligning development contributions with community needs. It's built on principles that supports transparency, flexibility, and legislative compliance.

At this early stage, CBC revenues remain limited and unevenly distributed, mainly due to the varying pace of development across the city and current market conditions. In some cases, developers provide in-kind contributions, such as land or facilities, instead of cash. While these contributions support community benefits, they also mean the City receives less cash funding, which could otherwise be used more flexibly across different areas. As a result, existing allocations may not fully reflect growth patterns or geographic needs. This is a transitional period, and the Framework is intentionally adaptable so the City can respond to emerging needs while laying the foundation for more balanced and proportional investment over time.

As contributions grow and the funding landscape becomes more predictable, the Framework will continue to evolve. Future refinements will support long-term infrastructure planning and enable more strategic, coordinated investments that reflect both local priorities and broader city-wide goals. This adaptability ensures the City remains well-positioned to direct growth-related revenues toward complete, livable communities as development progresses.