

City-Initiated Zoning By-law Amendment – Re-allocating Section 37 Funds within Ward 23 – Decision Report - Approval

Date: August 31, 2025

To: Scarborough Community Council

From: Director, Community Planning, Scarborough District

Ward: 23 - Scarborough North

Planning Application Number: 25 151218 ESC 23 OZ

SUMMARY

This report recommends City Council approve City-initiated Zoning By-law Amendments to revise various site specific Zoning By-laws for the purpose of re-allocating unspent Section 37 funds totaling \$674,905.89. These funds were secured through the approval of Zoning By-law Amendments at the locations listed below:

- Southwest and Southeast corner of McCowan Road and Finch Avenue East;
- Southeast corner of Midland Avenue and McNicoll Avenue;
- 5789 Steeles Avenue East; and
- 1088 Progress Avenue.

If approved, the recommended Zoning By-law Amendments would permit the re-allocation of funds toward other capital facility improvements within general proximity of the sites subject to the original Zoning By-laws in Ward 23. No new development permissions are contemplated through the proposed amendments.

RECOMMENDATIONS

The Director, Community Planning, Scarborough District recommends that:

1. City Council amend site-specific Zoning By-law 23102, for the lands at the southwest and southeast corner of McCowan Road and Finch Avenue East substantially in accordance with the draft Zoning By-law Amendment included as Attachment 2 to this report.
2. City Council amend site-specific Zoning By-law 23270, for the lands at the southeast corner of Midland Avenue and McNicoll Avenue substantially in accordance with the draft Zoning By-law Amendment included as Attachment 3 to this report.

3. City Council amend site-specific Zoning By-law 158-2007, as amended, for the lands at 5789 to 5951 Steeles Avenue East substantially in accordance with the draft Zoning By-law Amendment included as Attachment 4 to this report.
4. City Council amend site-specific Zoning By-law 1060-2013, for the lands at 1088 Progress Avenue substantially in accordance with the draft Zoning By-law Amendment included as Attachment 5 to this report.
5. City Council authorize the City Solicitor to make such stylistic and technical changes to the draft Zoning By-law Amendment as may be required.
6. City Council authorize City officials to take such action as is necessary to implement the recommendations above, including execution of necessary agreements as required.

FINANCIAL IMPACT

The Development Review Division confirms that there are no financial implications resulting from the recommendations included in this report in the current budget year or in future years.

DECISION HISTORY

The four Zoning By-laws subject to this report's recommendations were enacted on different dates. The approval of the Zoning By-laws secured community benefits pursuant to Section 37 of the *Planning Act* in return for the increased height and/or density than previously permitted on the subject lands.

On February 4, 1991, former City of Scarborough Council adopted the recommendations of the Final Report to approve a Zoning By-law Amendment for the southwest and southeast corners of McCowan Road and Finch Avenue East to permit four residential buildings ranging from 10 to 19 storeys in height along with four townhouse blocks. The approval included Section 37 community benefit requirements associated with the increased density, and was enacted as Zoning By-law 23102. The decision of Council can be accessed through the City of Toronto Archives.

On August 19, 1991, former City of Scarborough Council adopted the recommendations of the Final Report recommending approval of the site-specific Zoning By-law amendment to permit a long-term care facility and commercial centre on the southeast corner of Midland Avenue and McNicoll Avenue. The approval included Section 37 community benefit requirements associated with increased density, and was enacted as By-law 23270. The decision of Council can be accessed through the City of Toronto Archives.

On November 10, 2006, the Ontario Municipal Board issued an Order approving Official Plan and Zoning By-law Amendments to permit two retail buildings and an industrial building at 5789 and 5951 Steeles Avenue East. The approval included Section 37

community benefit requirements associated with the increased density, and resulted in the enactment of By-law No. 158-2007 at 5789 and 5951 Steeles Avenue East. Subsequent revisions to the Zoning By-law standards and Section 37 provisions were adopted by City Council since 2006. The latest revisions came on February 6 to 7, 2024, where City Council adopted recommendations to approve a site-specific Zoning By-law Amendment to permit a warehouse at 5951 Steeles Avenue East. The February 2024 decision of Council can be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2024.SC10.4>

On July 16, 17, 18 and 19, 2013, City Council adopted the recommendations of the Final Report to approve the Official Plan and Zoning By-law Amendments to permit two apartment buildings of 13 and 18 storeys and three stacked townhouse blocks at 1088 Progress Avenue. The approval includes Section 37 benefits in return for the increased height and density, and was enacted as By-law 1060-2013. The decision of Council can be found here: [Agenda Item History - 2013.SC25.31](#)

On April 23 and 24, 2025, City Council directed the Director, Community Planning, Scarborough District, to bring forward City-initiated Zoning By-law amendments to the aforementioned Zoning By-laws, including scheduling a community meeting, to re-allocate the unspent Section 37 funds toward other capital facility improvements within Ward 23. The decision of Council can be found here: [Agenda Item History - 2025.MM29.19](#)

APPLICATION BACKGROUND

The Subject Lands

This report addresses four site-specific Zoning By-laws in various locations in Ward 23, which are:

- Generally, the southwest and southeast corners of McCowan Road and Finch Avenue East - By-law 23102;
- Generally, the southeast corner of Midland Avenue and McNicoll Avenue - By-law 23270;
- 5789 to 5951 Steeles Avenue East - By-law 158-2007, as amended; and
- 1088 Progress Avenue - By-law 1060-2013.

Please refer to the location map in Attachment 1.

Most of the development proposals approved by the aforementioned Zoning By-laws have been constructed and are currently occupied with the Section 37 obligations fulfilled as described below. However, the development proposals contemplated at 5789 and 5951 Steeles Avenue East and at 1088 Progress Avenue have not been fully completed as envisioned by the respective Zoning By-laws with only certain secured benefits realized.

Secured Section 37 Contributions

Development of some of the subject sites has occurred pursuant to their site-specific zoning and Section 37 obligations fulfilled in accordance with their associated Agreements, including cash payments which are allocated but unspent. The unspent funds associated with the community benefit as originally secured as follows:

Zoning By-law 23102 (Southwest/southeast corners of Finch Avenue East and McCowan Road)

- \$34,514.47 towards pedestrian crosswalk in front of Iroquois Public School, improvements to local parks;
- \$56,959.28 towards recreational facilities in the Agincourt North Community; and
- \$374,786.24 towards construction of community facilities in the Agincourt North Community.

Zoning By-law 23270 (Southeast corner of Midland Avenue and Finch Avenue)

- \$113,372.62 towards road improvements along McNicoll Avenue and Bramblebrook Avenue.

Zoning By-law 158-2007, as amended (5789 to 5951 Steeles Avenue)

- \$83,887.72 towards the expansion of Milliken Park Community Recreation Centre.

Zoning By-law 1060-2013 (1088 Progress Avenue)

- \$11,385.56 towards improvements to the Burrows Hall Park courtyard.

Reasons for City-initiated Amendments

The City-initiated amendments are necessary to allow for the re-allocation of the secured Section 37 funds.

The community benefits relating to transportation improvements have been constructed utilizing other funding sources, and as such the monies secured remain unspent. Similarly, the parks and recreational facility improvements towards which community benefits were directed have not been advanced.

Due to the absence of a Section 37 community benefits re-allocation clause in the above-mentioned By-laws and their associated Agreements, a total amount of \$674,905.89 secured towards these matters remains unused. To enable the re-allocation of these funds to other eligible community benefits, amendments to the associated Zoning By-laws are required.

PUBLIC ENGAGEMENT

Community Consultation

A virtual community consultation meeting was held on August 14, 2025. There were approximately 25 individuals in attendance, including the Ward Councillor and City staff. Comments, questions and concerns raised by members of the public included:

- Suggestions for re-allocating the funds toward the expansion of community facilities, parks, and public amenities in priority areas;
- Requests for confirmation regarding existing land uses and proposed developments on certain sites;
- Inquiries on the status of previously completed community improvements; and
- Questions regarding the community consultation process for future projects.

Statutory Public Meeting Comments

In making their decision with regard to this application, Council members had an opportunity to view the oral submissions made at the statutory public meeting held by the Scarborough Community Council for this application, as these submissions were broadcast live over the internet and recorded for review.

COMMENTS

Provincial Land-Use Policies

Staff's review of this application has had regard for the relevant matters of provincial interest set out in the *Planning Act*. Staff has reviewed the draft Zoning By-law Amendments for consistency with the Provincial Planning Statement (2024). In the opinion of Staff, the proposal is consistent with the PPS.

Community Benefits

The Section 37 provisions set out in the site-specific Zoning By-laws and their corresponding Agreements identify various community improvements towards which cash contributions were secured and paid, but unspent to a total amount of \$674,905.89. These funds were obtained through multiple development proposals, some of which have been constructed.

Subsequent to the approval of these various site-specific By-laws it became standard practice when drafting Section 37 provisions to include a clause in the By-law that allows for the re-allocation of unspent Section 37 funds if such funds are not used within three years. This re-allocation authority was at the discretion of the Chief Planner and Executive Director, City Planning, in consultation with the Ward Councillor. However, in the case of the subject sites, this now-standard re-allocation clause is absent and the obtained payments are unable to be used address priorities for the capital facilities as they have changed within the Ward.

Staff have confirmed that previously secured monies are no longer needed for the original intended community benefits. As noted above, transportation related upgrades, including crosswalk installations and the construction of safety guide rails, were completed utilizing alternative funding sources. Consequently, the Section 37 funds originally secured for these improvements remain unused. With respect to parks and community facility improvements, the secured funds are insufficient to undertake the necessary work. As such, the funds remain unspent and can be better directed to more specific, near-term initiatives.

It is proposed that the associated By-laws be amended to allow for the re-allocation of unspent funds toward other capital facilities. Expanding the potential improvements would ensure the community fully benefits from the contributions secured through the four approved developments.

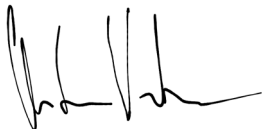
CONCLUSION

The re-allocation instructions recommended within this report to be inserted into the site-specific zoning for each subject site would allow unspent funds from various past developments to be re-allocated at the discretion of the Chief Planner and Executive Director, City Planning, in consultation with the Ward Councillor. Inserting this re-allocation clause would broaden the group of potential capital improvements to which the secured, but unspent funds, could be applied to, provided that the purpose is identified in the Official Plan and will benefit the community. Staff recommend that Council adopt the site-specific Zoning By-law amendments attached to this report.

CONTACT

Joey Au Yeung, Assistant Planner, Community Planning, Scarborough District, Tel. No. 416-392-3010, E-mail: joey.auyeung@toronto.ca

SIGNATURE



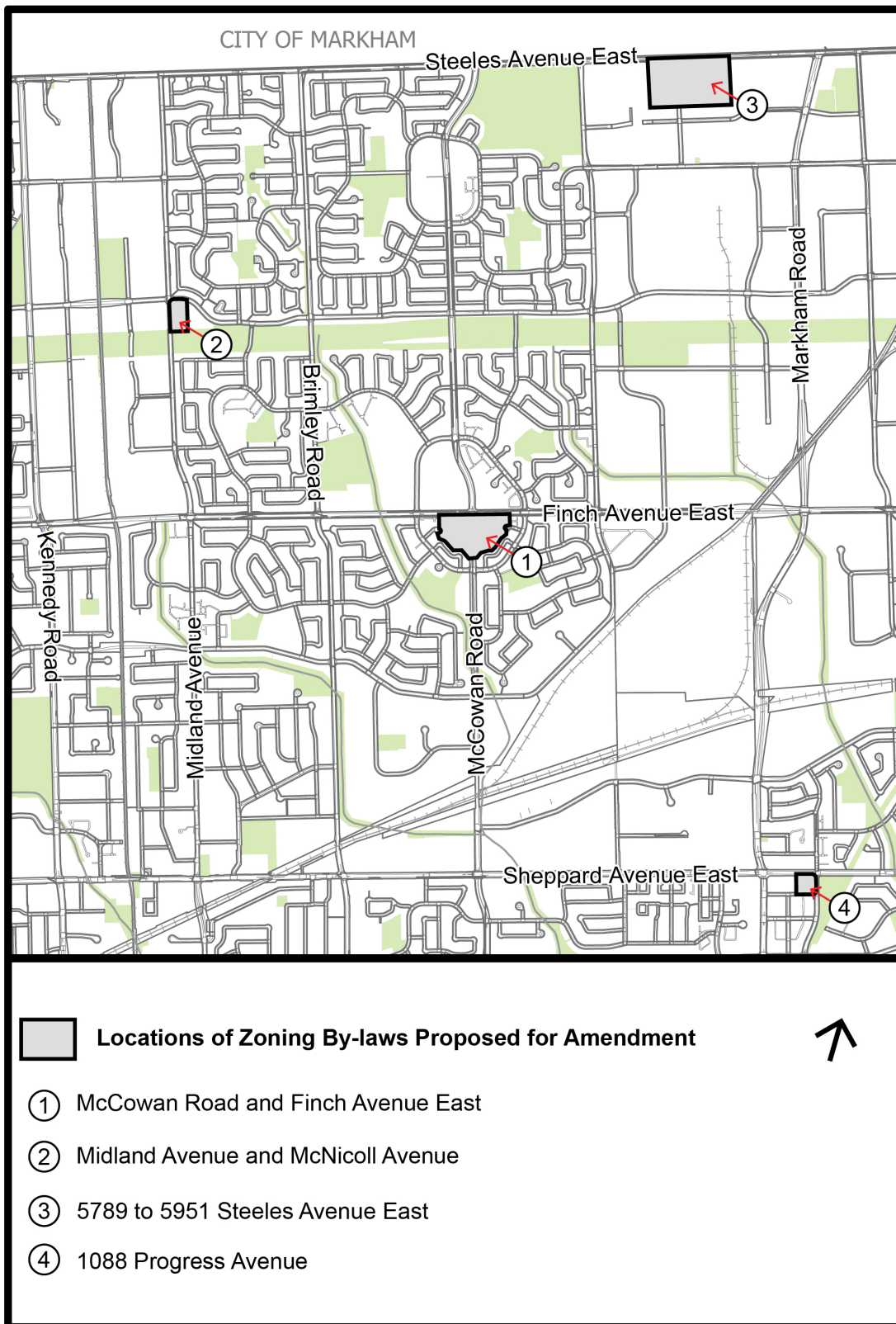
Christian Ventresca, M.Sc.PI, MCIP, RPP
Director, Community Planning
Scarborough District

ATTACHMENTS

City of Toronto Information/Drawings
Attachment 1: Location Map

Attachment 2: Draft Zoning By-law to Amend By-law 23102
Attachment 3: Draft Zoning By-law to Amend By-law 23270
Attachment 4: Draft Zoning By-law to Amend By-law 158-2017
Attachment 5: Draft Zoning By-law to Amend By-law 1060-2013

Attachment 1: Location Map



Attachment 2: Draft Zoning By-law to Amend By-law 23102

(Attached separately as a PDF)

Attachment 3: Draft Zoning By-law to Amend By-law 23270

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Attachment 4: Draft Zoning By-law to Amend By-law 158-2017

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Attachment 5: Draft Zoning By-law to Amend By-law 1060-2013

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