



NOTICE OF MOTION

Direction to Amend Section 37 Agreement for 5800 Yonge Development Application

Moved by: Councillor Lily Cheng

Seconded by: Councillor Nick Mantas

SUMMARY:

In 2022, City Council approved the redevelopment of 5800 Yonge Street through By-laws 1285-2022 and 1286-2022. As part of the approval, the owner was required to provide a new child care facility and deliver associated community benefits secured through a Section 37 agreement. This agreement includes also and over dedication of parkland for 4,291.6 square meters.

Since the approval of the development, the provincial land use planning and development framework has undergone significant reform through the More Homes Built Faster Act, 2022 (Bill 23). Bill 23 significantly restructured municipal tools for securing community benefits by limiting the scope of Section 37 density bonusing and introducing a capped Community Benefits Charge system. These changes have materially reduced the City's ability to secure community benefit if the developers choose to bring forward their application again.

Within this evolving legislative and financial context, the owner has continued discussions with City staff regarding the implementation and delivery of the required child care facility. The owner has now proposed a revised framework that maintains the obligation to deliver a fully fitted out stand-alone child care facility, along with associated furnishings and equipment contributions, and \$500,000 Child Care Facility Capital Contribution.

Importantly, the continued requirement for a stand-alone child care facility represents a significant and

meaningful community benefit outcome. Given current market and policy conditions, including the limitations introduced by Bill 23 and the City's constrained ability to secure equivalent child care capital contributions through alternative mechanisms, the delivery of a purpose-built facility of this scale would be extremely difficult to achieve through any other planning or funding pathway. In this regard, securing the delivery of this facility represents a clear success in advancing critical community infrastructure. This outcome is particularly significant given that Willowdale is identified as a "red zone" on Toronto Children's Services Priority Levels for CWELCC expansion, indicating high unmet demand for licensed child care spaces and limited existing capacity relative to need.

The revised proposal provides for a direct capital investment by the owner in the construction of the child care facility. This approach aligns with the current legislative environment, and ensures the continued delivery of a high-priority community service in an area of demonstrated need along with the over dedication of the parkland.

Given the increased construction costs associated with delivering the child care facility, the strong public policy imperative to secure new licensed spaces in high-need areas such as Willowdale, and the legislative changes introduced by Bill 23 that have constrained alternative funding tools, it is appropriate to amend the existing Section 37 requirements to remove the separate cash contribution obligation while maintaining and strengthening the obligation to deliver the stand-alone child care facility and its associated benefits.

RECOMMENDATIONS:

1. City Council direct the Executive Director, Development Review to bring forward a City-initiated amendment to By-laws 1285-2022 and 1286-2022 to amend the terms of the Section 37 benefits, specifically the removal of the required cash contribution for the increase in density, in an effort to preserve the construction of a fully built-out daycare and recognize the over-dedication of parkland.

June 24-26, 2026