

Community Benefits Charge In-Kind Guidelines Overview



What is the Community Benefits Charge?

As Toronto grows, so does the City's need for expanded public facilities and community services to support residents. To help fund these resources, the City collects a **Community Benefits Charge (CBC)** from certain new developments. The CBC is an important tool, in combination with other funding sources, to **help the City create "complete communities"** – where things like parks, libraries, child care, community and cultural spaces and affordable housing options are available and easily accessible.

The CBC can be paid in cash or offered and accepted through in-kind contributions, which aim to meet the needs identified by the City and community input. The CBC is capped at 4% of the land's value and applies to eligible developments that are greater than five storeys and 10 or more units.



What are the guiding principles of the CBC in-kind contribution program?



Complete Communities – In-kind contributions should help the City create “complete communities,” in which the necessities of daily life are available and easily accessible to residents as the population grows.



Growth Pays for Growth – In-kind contributions should be located on-site, or within the area of the development, in order to provide facilities that serve the surrounding community.



Equitable Distribution – Decisions about in-kind contributions should apply an equity lens and respond to the needs of communities most impacted by new growth and development.



Prioritization of Funding Sources – In-kind contributions are typically only considered where other funding tools and programs are not available.



Alignment with Planning Tools – In-kind contributions should only be considered where not provided through other planning requirements and processes.

When were the CBC in-kind guidelines developed?

Toronto's City Council approved new guidelines for accepting in-kind (non-cash) CBC contributions from developers on February 5, 2025. These guidelines clarify when and how the City accepts these assets, **ensuring a transparent and consistent process**. They can be updated by City Council.

Is the CBC different from the previous Density Bonusing regime?

The CBC has **replaced the former "Section 37" or "Density Bonusing" system**, which involved negotiating developer contributions based on density and height. Developments with Section 37 contributions secured before August 15, 2022, remain in the Density Bonusing system. Today, most new developments will provide a standard CBC contribution.



How does the City decide to accept in-kind contributions in lieu of cash payments?

In order to assess whether an in-kind contribution would be suitable for a certain development, **the City considers the amount of the potential contribution, the appropriateness of the location, the property owner's offer of providing an in-kind contribution and whether community needs would be better addressed** through the specific development site or a future city-building capital project.

How does the City manage CBC funds?

When new developments in Toronto contribute CBC funds, they go into a city-wide CBC Reserve Fund Account. The City is required to ensure that at least 60% of the starting balance is spent or allocated annually, **promoting transparent and accountable financial management**. Allocation decisions are made during the City's annual capital budget review.



How does the City assess in-kind CBC contributions?

The City of Toronto reviews in-kind CBC contribution proposals from developers in a case-by-case process. The City considers several factors, including: **the type of benefit; the estimated value; community needs; and alignment with City objectives, priorities and policies.**

To understand community needs, the **City consults various studies, strategies, plans and incorporates the knowledge and experience of local residents.** Some benefits address city-wide needs (i.e. new affordable housing), while others may be more location-specific (i.e. equitably accessible community space for the City to allow a particular local community group to use).

All proposed in-kind CBC contributions must be allowed by City Council. When Council accepts an in-kind contribution, they attribute it a value, which can't be more than 4% of the land's value. The City and the developer agree on the value of the contribution through an appraisal of the land, as well as assessing costs and any associated revenue. To ensure that the developer delivers their contribution and meets ongoing responsibilities, a legal agreement will be registered on the property's title.

How are opportunities for in-kind contributions identified?

City staff might suggest an in-kind contribution to a developer if there's a clear community need in the area of a proposed development, either before an application is submitted or during its review.

Developers/Owners themselves can offer an in-kind contribution as part of their initial development proposal.

Local Councillors might identify a need for an in-kind contribution, often based on feedback from residents, and bring it to the attention of City staff and developers/owners.



What types of in-kind contributions does the City accept?

Here's a list of in-kind contributions the City most often accepts:

- ✓ Affordable rental housing
- ✓ Affordable ownership housing
- ✓ Child care centres
- ✓ Community service space
- ✓ Cultural facilities
- ✓ EarlyON child and family centres
- ✓ Libraries
- ✓ Parks and recreation
- ✓ Public art

Scan the QR code below or visit
toronto.ca/CommunityBenefitsCharge
for detailed CBC In-Kind Guidelines
and resources.



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