

SECTION 37

An Essential Tool for Building Healthier Neighbourhoods

A little section of Ontario's Planning Act has a big impact on the quality of life in our city. You can see the benefits of Section 37 in your neighbourhood, whether it be improvements to community recreation facilities, or street trees for a greener city. This tool helps us adapt to the needs of a growing city by securing the necessary community benefits and facilities that are a vital part of building Toronto's healthy neighbourhoods.

www.toronto.ca/section37



THE ROLE OF SECTION 37 IN TORONTO

As Toronto grows and matures as a city, improvements to its public facilities and services are required to meet increasing needs. Section 37 of Ontario's Planning Act is one of the key planning tools available to the City of Toronto to help ensure new development is accompanied by the necessary investment to enhance our high quality of life.

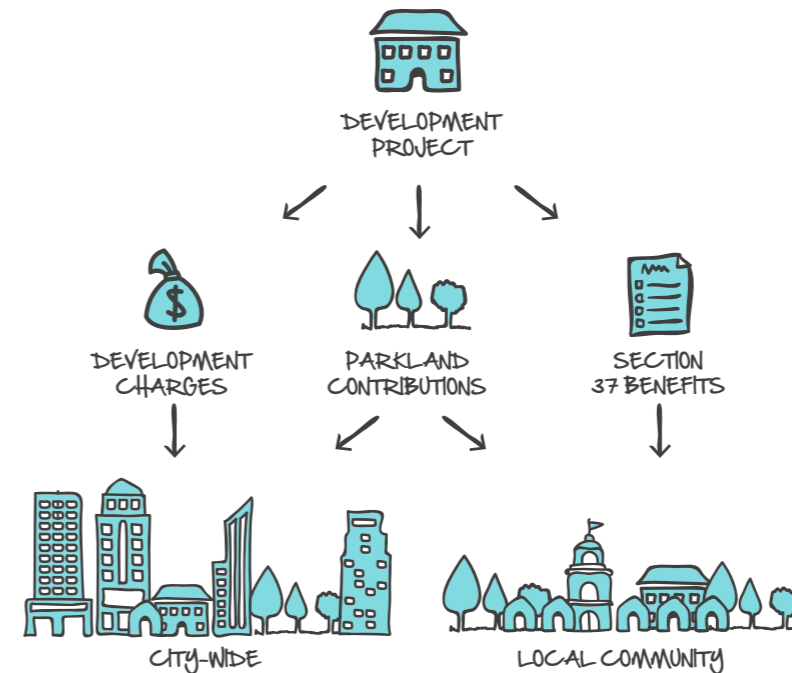
Section 37 enables the City to negotiate contributions towards local community benefits for development applications that exceed a site's zoned height and density. Unlike other municipal financing tools such as Development Charges and Parkland Contributions, Section 37 benefits are provided primarily in the local community within which the development is located. Section 37 also provides greater flexibility and precision than other tools, allowing secured benefits to be direct, tangible, and responsive to local community needs.

DID YOU KNOW?

The term "Section 37" refers to the section of Ontario's Planning Act which allows the City to ask for benefits to construct or improve facilities when a development requires a Zoning By-law amendment.

Under Toronto's Official Plan, developments that exceed a threshold of 10,000 square metres of gross floor area, and where the application increases the permitted density by at least 1,500 square metres, and/or significantly increases the permitted height, are typically subject to Section 37 provisions

FUNDING COMMUNITY BENEFITS AND INFRASTRUCTURE



AN ESSENTIAL TOOL

Section 37 benefits differ from other revenue tools available to the City of Toronto.

- Section 37 benefits cover a variety of community services and facilities, allowing greater flexibility than Development Charges and Parkland Contributions. Typical benefits are outlined in the Official Plan's Section 5.1.1 or in Secondary Plans.
- Section 37 cash-in-lieu benefits are held in a separate reserve fund account, while other revenue sources are collected by the City and distributed centrally.
- As Section 37 is intended to address the needs created by growth, the Planning Act requires benefits to have a reasonable geographic relationship with a proposed development.

HERITAGE PRESERVATION



Swansea Town Hall Conservation and Rehabilitation
Section 37 retains our most vulnerable heritage assets by securing their conservation and rehabilitation.

PUBLIC ART



Public Art "Between Heaven and Earth" on the Queensway
Section 37 creates a city of beauty by giving art the opportunity to flourish within the public realm.

CHILD CARE



Parkway Forest Community Child Care Facility
Section 37 increases the quality of life of our families by supporting the creation of non-profit child care facilities.

PARK IMPROVEMENTS



New Playground Equipment in Oates Park
Section 37 strengthens the success of our extensive green space network by improving park facilities.

AFFORDABLE HOUSING



Affordable Rental Housing for Artists at Wychwood Barns
Section 37 protects the diversity of Toronto's neighbourhoods by contributing towards affordable housing, and by securing purpose-built affordable rental housing.

RECREATION CENTRES



Warden Hilltop Community Centre
Section 37 enhances the physical and social health of our communities by upgrading existing recreation centres and by building new facilities.

SPACE FOR NON-PROFITS



Community Facilities in Regent Park
Section 37 enables our non-profit arts, cultural, and community sector to thrive by providing access to affordable space.

STREETSCAPES



Bloor/Yorkville Streetscape Improvements
Section 37 delivers a vibrant public realm by financing streetscape improvements such as street trees, benches and pedestrian infrastructure.

SETTING PRIORITIES FOR SECTION 37 BENEFITS

Every community in Toronto is faced with unique local challenges and opportunities. To maximize the impact of Section 37 benefits and equitably address these varying needs, local priorities should be established.

City staff and Ward Councillors are encouraged to work in collaboration with the community to prepare an assessment of potential Section 37 community benefits for various neighbourhoods within each ward, to be updated every term of Council.

Inputs from City Planning and other Divisions help support these conversations, including providing advice and expertise on community needs based on guiding policies, local experience, and applicable Community Services and Facilities studies.

Once established, this list of local priorities provides a transparent method for determining appropriate Section 37 benefits during negotiations with development applicants.

IN-KIND OR CASH-IN-LIEU?

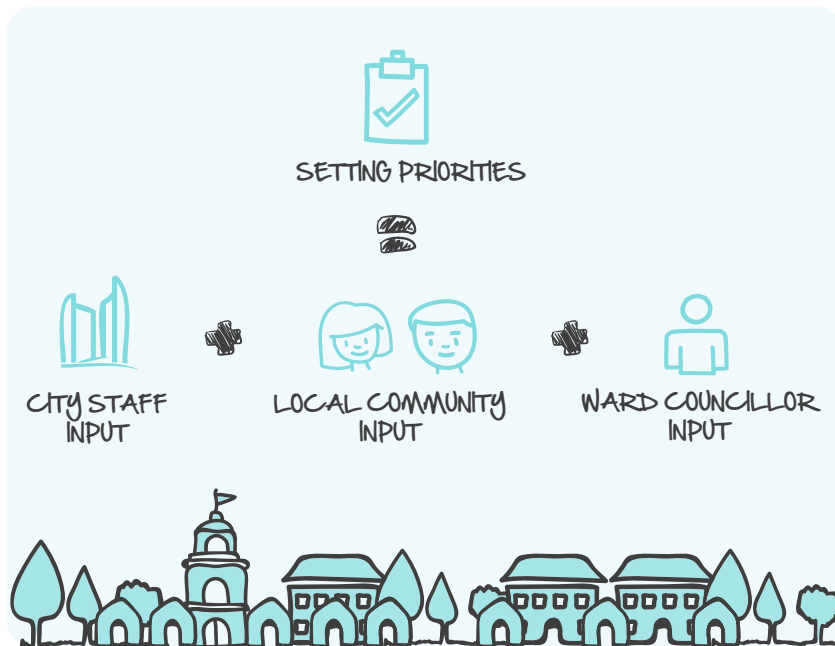
Section 37 benefits are secured by the City through two different methods, in-kind and cash-in-lieu.

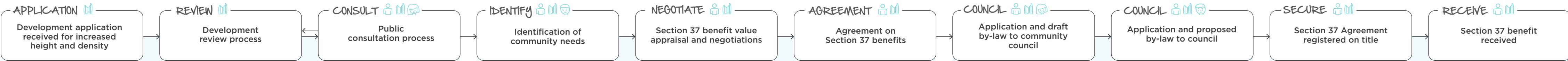
In-kind contributions occur where a development applicant agrees to directly provide the negotiated benefit, such as dedicating physical space within a building for use by non-profit groups.

Alternatively, a development applicant can provide **cash-in-lieu** of the negotiated benefit, transferring responsibility for implementation to the City. Cash-in-lieu can occur either as a single contribution towards a community benefit, or be saved for future use in cases where the City is pooling funds to achieve a major investment, or a number of identified benefits.

Over the past five years, the City of Toronto has secured approximately 850 Section 37 benefits, 55% of which were in-kind, and 45% of which were cash-in-lieu contributions valued at over \$200 million.

This educational brochure aims to provide the reader with a basic understanding (of the use) of Section 37 of the Planning Act. As the brochure deals in summarized fashion with complex matters and reflects legislation, policies and practices that are subject to change, it should not be relied upon as a substitute for specialized legal or professional advice. The information contained herein should be read in conjunction with Toronto's Official Plan policies. **Published: October 2014**



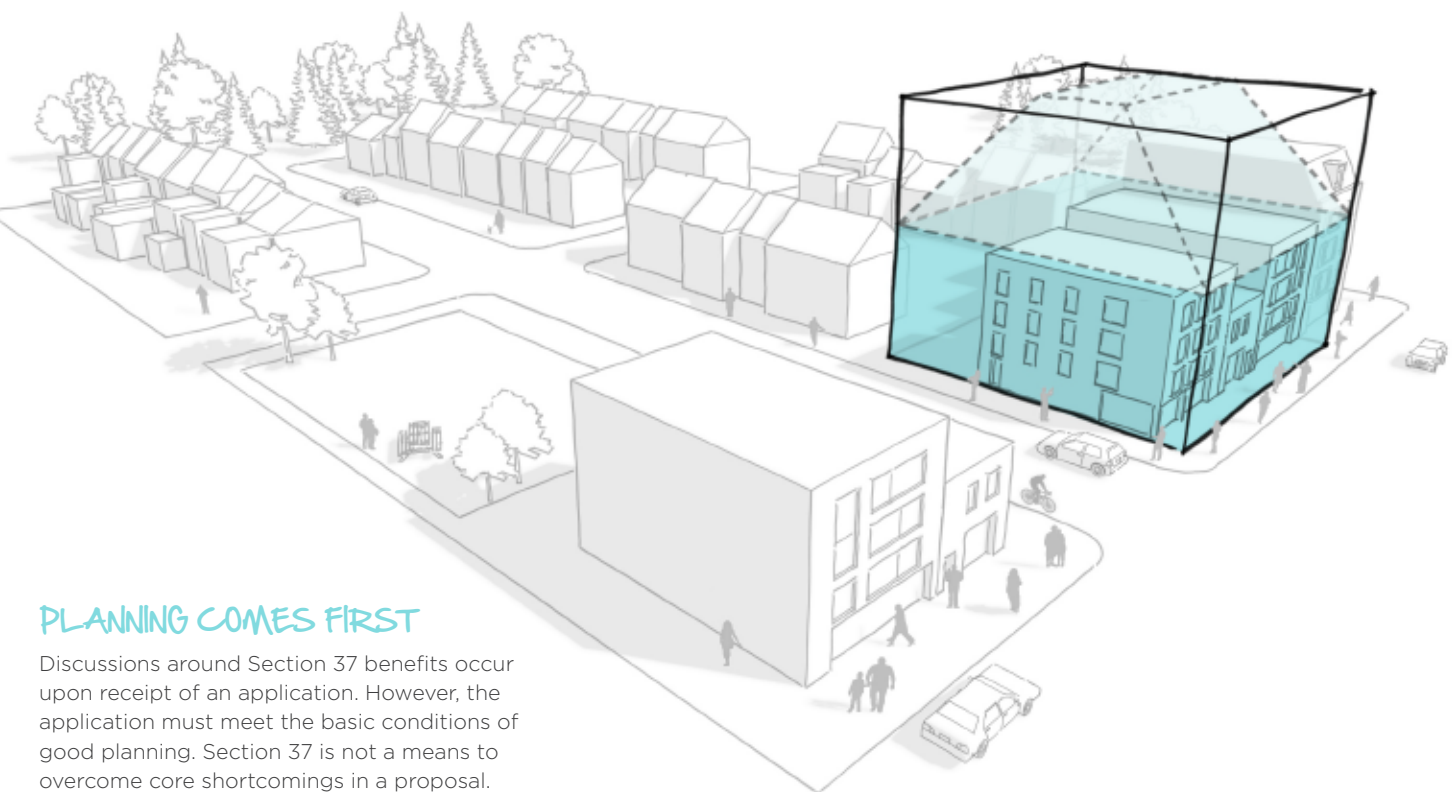


When a developer submits an application that requests more height and density than what is currently allowed, City Planning staff initiate a review process. As part of this review, staff lead public consultations with local residents and the Ward Councillor to discuss the development application. If the increased height and density meet the thresholds/policies specified in the Official Plan, Section 37 policies will apply to the development. These consultations are also an opportunity for the Ward Councillor to review existing Section 37 priorities with the local community and discuss benefits that could come from the proposed development.

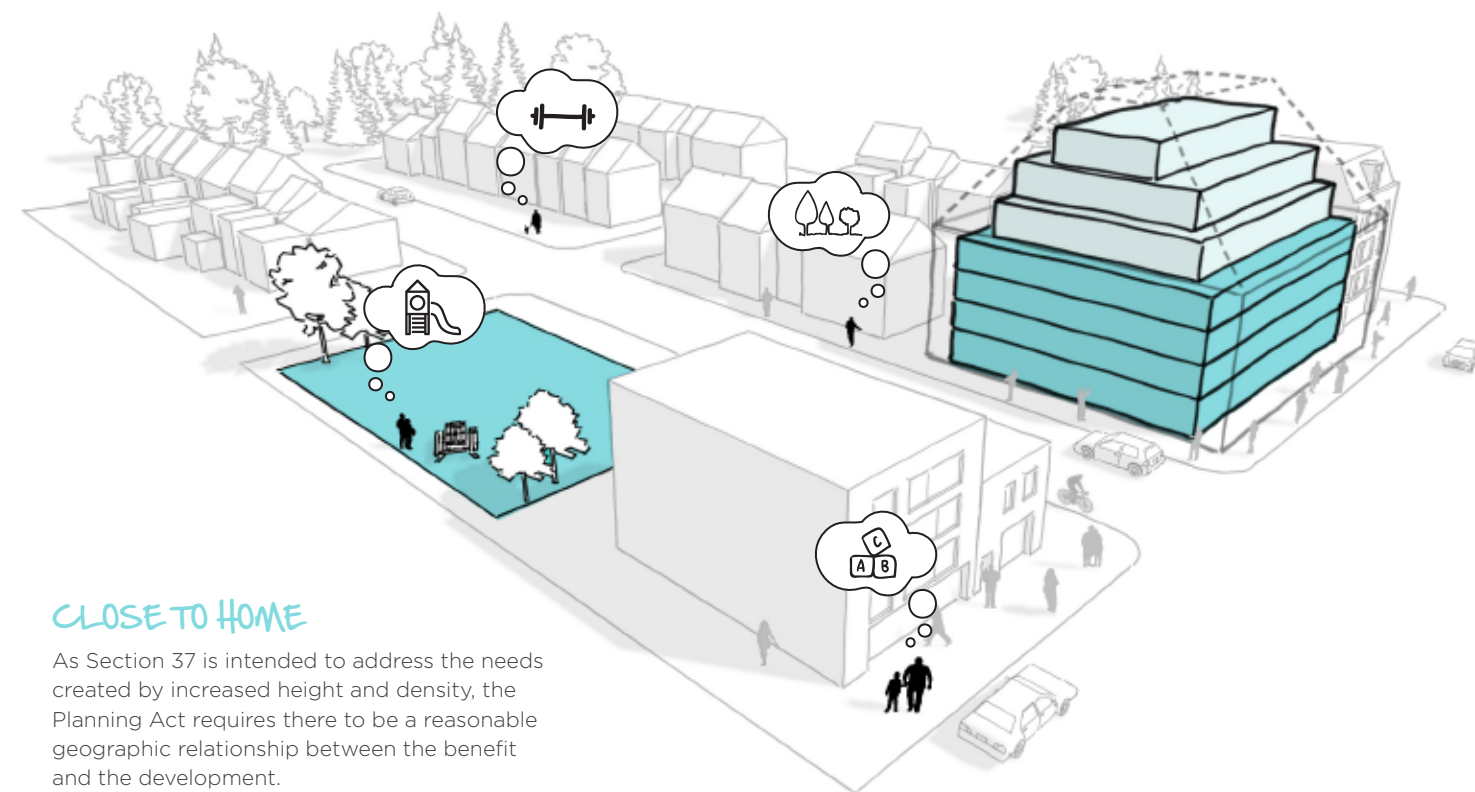
Section 37 benefits are negotiated on a case-by-case basis with developers. City Planning staff typically lead this process, incorporating consultation with the Ward Councillor, the community, and various City Divisions and Agencies. In these negotiations, the City seeks to capture a portion of the appraised value of the additional density requested by the development applicant. If the City and the applicant are able to reach an agreement on appropriate Section 37 benefits during the negotiation process, an agreement is finalized as a condition of the approval of the development application.

After being reviewed by staff, the development application is brought to the local Community Council. During this meeting, the public has an opportunity to formally state their opinions on both the development and proposed Section 37 benefits. If Community Council recommends the application, it then continues to City Council for final approval.

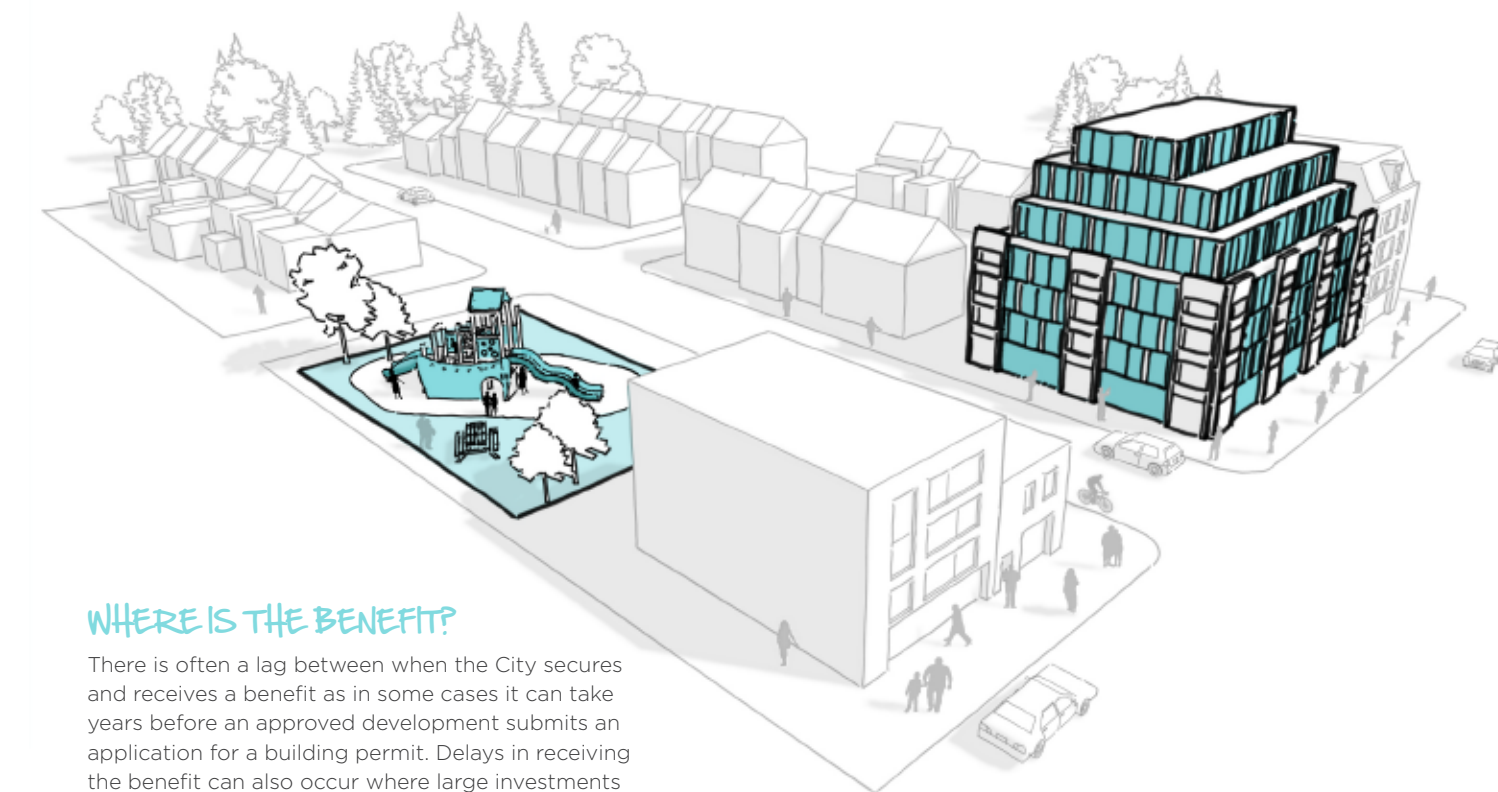
After approval by City Council, the proposed Section 37 benefits are considered to be "secured" and City staff prepare an agreement for the applicant and the City to enter into. Under a secured agreement required by a Zoning By-law, the developer has a legal obligation to provide the benefits at a future date, usually when making an application for a building permit. A benefit is considered to be "received" at the point where a developer pays their cash-in-lieu contribution to the City, or delivers the negotiated in-kind benefits.



PLANNING COMES FIRST
 Discussions around Section 37 benefits occur upon receipt of an application. However, the application must meet the basic conditions of good planning. Section 37 is not a means to overcome core shortcomings in a proposal.



CLOSE TO HOME
 As Section 37 is intended to address the needs created by increased height and density, the Planning Act requires there to be a reasonable geographic relationship between the benefit and the development.



WHERE IS THE BENEFIT?
 There is often a lag between when the City secures and receives a benefit as in some cases it can take years before an approved development submits an application for a building permit. Delays in receiving the benefit can also occur where large investments require the pooling of funds from multiple projects.