

SAHRA



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Summary for Section 37 Discussions

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Section 37 of the Planning Act authorizes municipalities to grant increases in height and density of development, in exchange for the provision of "facilities, services or matters". The City of Toronto has used Section 37 provisions for community benefit contributions more extensively than any other municipality in Ontario. Since amalgamation, the City has secured \$309 million in Section 37 cash benefits and received \$212 million in payments and accrued interest, as well as significant additional un-quantified in-kind benefits that may exceed the value of the cash contributions.

Gladki Planning Associates was engaged by the City to provide recommendations to improve the clarity and transparency of the Section 37 process for obtaining community benefit contributions at the City. Their final report integrates feedback generated at workshops with recommendations from an October, 2013 study "Improvements to the Section 37 Implementation Process" also prepared by Gladki Planning Associates.

The Gladki Report also notes: "It is important to remember in the context of this review that although Section 37 contributions are significant, they represent what is primarily a planning tool to address community benefits mostly in proximity to the development. The funds that are provided through Section 37 agreements represent a small fraction of total revenue that is generated through developments that require approval for rezoning. For example, each development approval increases the City's assessment base and generates significant additional tax revenues for the City year after year. In addition, all developments generate development charge revenues which are funneled into general revenues and available to address needs across the City. Each development also contributes to **parks levies**, a portion of which are allocated to address City wide needs.

As an example, the City approved a rezoning for a development at 33-45 Lombard Street in 2003 known as the Spire, which generated \$3,253,500 in Section 37 benefits for the revitalization of the Parish House and Diocesan Centre at St. James Cathedral in addition to a publicly accessible open space on the south side of Lombard Street (not valued). In addition, through a restriction proposed in the site-specific zoning by-law for this development, no further development would be permitted that increases the floor area on the St. James Cathedral site. Applying 2013 development charge and tax rates, the development would generate \$3,768,000 towards development charges, \$1,131,000 towards the land transfer tax, \$591,740 towards the park levy as well as \$685,000 in annual tax revenue for the City (all figures represent 2013 values)."

[Section 37 Review - Final Report \(7\) \(1\)](#)

The **'Conclusions'** are as follows:

"This review concludes that Section 37 represents a useful and valuable tool for achieving community benefits related to development approvals for the City of Toronto, but that some adjustments would improve the process of negotiating and implementing agreements. Specific findings include:

- More than 300 million dollars of funds for community benefit contributions have been generated as part of Section 37 agreements since 1998 as well as significant additional in-kind contributions that likely exceed the cash contributions in total value.

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- The objective of Section 37 is to improve the communities within which development and intensification takes place, and to address, at least in part, needs generated by adding population in any particular area.
- Considerations regarding the contribution of community benefits constitute an important aspect of “good planning” and should be integrated with assessment of the physical form of development.
- A “reasonable planning relationship” must be established between the additional height and density and the community benefit, usually interpreted as reflecting geographic proximity.
- The City’s policies and Guidelines regarding the use of Section 37 for community benefit contributions are by and large solid, but are not always adhered to in implementation.”

The main ‘**Recommendations**’ for improving the City’s implementation process regarding Section 37 of the *Planning Act* include:

- “Exploring options for establishing a set of standard charges for additional height and density, based on different geographies in the City that reflect differences in appraised land values.
- Clarification of the concept of a “reasonable planning relationship” as it applies to different types of community benefits.
- Undertaking an assessment to establish a set of potential community benefit contributions on a neighbourhood by neighbourhood basis across the City, based on consultations with communities and already existing departmental service plans.
- Continue to add a standard recommendation to reports recommending Section 37 community benefit contributions to allow funds to be transferred, if they remain unused for a period of time after they have been received, based on a report to Council.
- Improving public information on Section 37 by providing a brochure on-line to explain the City’s process for securing Section 37 community benefit contributions as well as an annual report that summarizes the previous year’s achievements regarding Section 37 community benefit contributions.
- Dedicating additional staff resources to follow-up with project implementation.”

Specific Recommendations are:

Reasonable Planning Relationship

That the City include the following in its Section 37 Implementation Guidelines:

“An appropriate geographic relationship exists if one or more of the following criteria are applicable:

- a) The contributing development is located within the catchment area of the facilities being constructed or improved as a community benefit;
- b) The contributing development is located within the community or neighbourhood that benefits from the provision of the community benefits;
- c) The occupants of the contributing development will have the opportunity to use the facilities being constructed or improved;
- d) The contributing development will benefit from the provision of the community benefits, possibly through increased value, or enhanced marketing or business opportunities; and
- e) In the specific case of affordable housing as a community benefit, the appropriate geographic relationship is considered to be citywide, i.e. the location of affordable housing as a community benefit can be anywhere in the City, or as otherwise specified.”

Rationale for Section 37

That the City hire an outside appraiser to provide land values for each square metre of increased density for different geographic areas across the City and that these values be updated annually.

That the City explore alternative approaches for calculating Section 37 community benefit contributions for developments in different areas, including a per square metre charge be applied to the increase in buildable area generated through a rezoning, based on appraised land values and a percentage target for capturing the increase in land value to be determined based on further study.

Base Density

That when the City Planning Division introduces or updates Secondary Plan policies and/or site specific and area Official Plan policies for areas of the City as appropriate, they consider incorporating base densities and a specific schedule of community benefits related to increasing density through a quantitative formula.

Assessment of Community Needs

That ward councillors work in collaboration with the community, and City Divisions, to prepare an assessment of potential Section 37 community benefit contributions for various neighbourhoods within each ward, to be updated once during each term of Council.

Flexibility Regarding Expenditures on Specific Benefits

That staff continue to include a standard recommendation in reports regarding Section 37 community benefit contributions to allow funds intended for specific community benefits to be redirected if they remain unspent for a three year period after receipt without requiring an amendment to the site specific bylaw, provided that the benefits towards which the funds are redirected represent a reasonable planning relationship to the original application and a report on the matter is submitted to Council by the Chief Planner and Executive Director City Planning.

Transparency

City Planning be requested to prepare public education information explaining the City's process for securing Section 37 community benefit contributions to the public as well as an annual report summarizing the previous year's achievements regarding Section 37 community benefit contributions.

Follow Up on Community Benefits

That Council provide additional dedicated staff resources to address, on an ongoing basis, the timely implementation of improvements and expenditures identified in Section 37 agreements as community benefit contributions.

Section 37 contributions were or will be applicable to the following developments within the Wilson to Lawrence/Yonge to Bathurst boundaries:

1717 Avenue Road

Prior to the commencement of a full hearing before the Municipal Board, the applicant and the City reached a settlement on the outstanding issues of height and density. The settlement was authorized by City Council at its meeting of February 5, 6, 7 and 8, 2007. The effect of the settlement reduced the height of the building to a 6 storey envelope and authorized the City Solicitor to secure a **\$400,000 cash contribution** secured with an

Agreement registered on title pursuant to Section 37 of the *Planning Act*.

The Agreement directed:

A portion of this contribution (\$250,000) towards site remediation and improvements to convert an abandoned TTC bus loop into a park at 1400 Avenue Road (Heaert Park) - expended.

The remainder of the contribution (\$150,000) was directed towards renovations to the Armour Heights Community Centre including, but not limited to mechanical, windows, mill work, finishes, fire alarms, security systems and fixtures. The renovations to the Armour Heights Community Centre were funded by another organization, so the funds were reallocated.

\$14,000 to Upper Avenue signs (which were installed).

\$136,000 to local parks and streetscape enhancements. SAHRA asked the Councillor to report on how these monies were actually spent.

\$64,000 Dog Off Leash Area Improvements 2010 – this is the area on Jedburgh; believe funds were spent in 2010.

\$100,000 interest gained has been allocated by Council to 2015 Parks, Forestry and Recreation capital Budget for Woburn Avenue Playground (east of Yonge Blvd) and Cortleigh Parkette (south of Lawrence) – not yet distributed?

Only \$14,000 of the \$400,000 was assigned to the Upper Avenue area.

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1684-1704 Avenue Road

Prior to issuance of an above grade building permit the owner shall provide a certified cheque in the amount of **\$200,000.00** to be used for capital improvements with **\$50,000 allocated to Allenby Junior Public School** and **\$50,000 allocated to John Wanless Junior Public School**, and **\$100,000 allocated to parks in Ward 16 to be determined by the community** with such amount to be indexed upwardly in accordance with the Statistics Canada Non-Residential Construction Price Index for Toronto, calculated from the date of the Section 37 Agreement to the date the payment is made.

Signs at John Wanless indicate that they have collected the funds to provide for their new playground from contributions from local businesses/realtors and fundraising efforts by the parents. The North Post article in March says that the Allenby parents have raised \$100,000 to put towards their playground alongside funding from the TDSB to take care of the turf and the terrible mud problem.

SAHRA has asked the Councillor on whether the \$50,000 and \$50,000 were in fact given to the two schools; if not, how will these funds be re-allocated now. SAHRA has also asked the Councillor how the \$100,000 in terms of where it stands for definition of allocation to parks in Ward 16.

The Councillor stated that the allocations were:

- \$50K Blessed Sacrament School (east of Yonge Blvd)
- \$50K Allenby School (south of Lawrence);
- \$50K John Wanless School
- \$50K for Ledbury Park (new play structure and other fitness amenities).

The funding is only received when the applicant applies for a building permit from the City of Toronto. In this case, the original applicant is not going ahead with the project. Another development company will now be taking over the project. The monies have been allocated but they have not yet been received or distributed.

228 Wilson Avenue

Prior to issuance of an above grade building permit the owner shall provide a financial contribution in the amount of **\$325,000.00** to be used for:

- Capital improvements to Old Orchard Park (\$160,000)
- Streetscape improvements in the vicinity of the site (\$165,000)

with such amount to be indexed upwardly in accordance with the Statistics Canada Construction Price Index for Toronto, calculated from the date of the Section 37 Agreement to the date the payment is made.

An agreement was reached in 2014 facilitated by Councillor Karen Stintz that the Old Orchard Grove Residents' Association would have an opportunity to discuss/revise the allocation of the Section 37 monies.

4050 Yonge Street

The Final Staff Report in June, 2011 based on the proposal that TTC build on the property (which was cancelled) called for a cash contribution of **\$1,500,000** prior to the release of above grade permits which is to be used for the following:

- Upgrades to the existing transit passenger pick-up and drop-off parking area along Old York Mills Road
- Path and trail improvements/connections within the West Don River Valley area adjacent to the site, York Mills Park and York Mills Valley Park
- Parks improvements to Woburn Park (OOGRA area/192K Capital)
- Parks improvements to Brookdale Park (OOGRA /?just done?40K Capital)
- Douglas Greenbelt (OOGRA)
- Establishment of a Village Square on Dunblaine Avenue (SAHRA)

At an Information Session arranged by the new Developer (The Gupta Group) in March, 2015, it was apparently stated that the Section 37 allocation would be the same at \$1,500,000 and that the allocations would remain as originally defined in 2011. The monies have not yet been received or distributed.

SAHRA would suggest that the allocation of the funds be open for discussion between the Councillor and Planning in conjunction with the neighbouring Residents' Associations (York Mills Heights Residents' Association, York Mills Valley Association, York Mills Ratepayers' Association, St. Andrews Residents' Association, South Armour Heights Residents' Association and the Old Orchard Grove Residents' Association).

250 Lawrence Avenue West

A new proposal as of 2015; Section 37 monies and allocations have not yet been defined. We would hope that the area Residents' Associations and other community groups will be asked to participate in the definition of the allocations.

The following table summarizes the Revenues and the Allocations, within and outside of the Wilson to Lawrence/Yonge to Bathurst boundaries:

| Site | Total \$ | Parks – In Area | Parks – Outside Area | Schools – In Area | Schools – Outside Area | Street -scape | Other Desc | Other \$ |
|--|-----------------|-----------------|----------------------|-------------------|------------------------|---------------|-----------------|--------------------|
| 1717 Avenue Road | \$400K | | \$386K | | | \$14K | | |
| 1684-1704 Avenue Road | \$200K | \$50K | | \$50K | \$100K | | | |
| 228 Wilson | \$325K | \$160K | | | | \$165K | | |
| 4050 Yonge St | \$1,500K | \$232K | | | | | Drop-off | Not Defined |
| | | | | | | | Trails | Not Defined |
| Allocation of \$1,268K not defined in terms of dollar values | | | | | | | Douglas Ravine | Not Defined |
| | | | | | | | Dunblaine | Not Defined |
| 250 Lawrence | Not Yet Defined | | | | | | Douglas Ravine? | |
| Totals | \$2,425K | \$442 | \$386K | \$50K | \$100K | \$179K | | Not Defined |

It is SAHRA's opinion that there has been an over-emphasis on Parks (which are funded by development in other ways) and Schools. While a Councillor is at liberty to allocate the funds anywhere within their Ward, it is our opinion that the monies should be used, where possible, in the area adjacent to the development site that is providing the Section 37 funds.

Section 37 monies have been assessed for 4 projects for a value of \$2,425,000. Perhaps this money should have been/should be allocated to Recommendations in the Avenue Road Avenue Study for projects within Wilson to Lawrence/Yonge to Bathurst, rather than to Parks and Schools outside the area?

Should re-allocations be made of yet unspent monies to finance the outstanding Avenue Road Avenue Study Recommendations?

Wish Lists

Since Councillor Carmichael Greb's election as Councillor Ward 16, SAHRA has been reviewing with her office the topic of Section 37 monies in order to define the original allocations and then the actual disbursements. The initial version of this document was published in March, 2015 and the topic was put on the Agenda for the April 8, 2015 Annual General Meeting. At that meeting, the Councillor committed to "Working with residents and stakeholders to create Section 37 'wish lists' to ensure resident's voices are heard when negotiating for and allocating such funds". This was confirmed in her letter to Members of the South Armour Heights Residents' Association on April 10, 2015.

SAHRA submitted a 'Wish List' to Councillor Carmichael Greb on July 14, 2015 of initial items with the intention to 'grow' the list as new needs arise. A number of these items were Recommendations within the Avenue Road Avenue Study (2009) which have not yet been implemented.

- TTC Loop greening at Avenue Road and Old Orchard Grove to provide a parkette
- Street furniture on Avenue Road
- Bicycle/walking paths that could include other wards for an uptown/downtown routine (tie in with Cycle Toronto)
- Lawrence Park Collegiate improvements to Sports Field that would not be funded by TDSB
- Seniors Home improvement (Marjory Carton Apts) at 193 Wilson Avenue for low income seniors that would not be funded by Toronto Housing
- Armour Heights Community Centre improvements to Library and Playground that would not be funded by other sources
- Street Art such as Murals on selected street corner buildings on Avenue Road; statue of a noted/historical figure for North Toronto, street sculpture (OCAD students could possibly participate)
- Trees – replenish and improve planting on Avenue Road; provide Tree Guards as necessary
- 401 On/Off Ramps – require landscaping to provide transition into our neighbourhood (in co-operation with the provincial government)

Next Steps

SAHRA will review this subject with the other Ward 16 Residents' Associations to ensure that they are aware of this source of revenue so that they can engage in defining the use of the allocations within their areas.

SAHRA will review with the Councillor's Office again the allocation of funds that have not yet been disbursed, asking, where appropriate, for re-review and re-allocation of funds to other desirable items. Specifically, the allocations for 1678-1704 Avenue Road and 4050 Yonge Street need to be reviewed.

SAHRA will ask the Councillor to provide an estimate of costs and possible sources of funding for the 14 outstanding Recommendations so that we can understand and prioritize the projects to be undertaken.

SAHRA and likely other involved Residents' Associations will ask to be involved with the designation of projects for Section 37 monies for the 250 Lawrence Avenue West project.

SAHRA will request a reporting annually on the allocations and actual disbursements of Section 37 monies for the development projects within the Wilson to Lawrence/Yonge to Bathurst boundaries.

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