

# POOLING BENEFITS



Dominik Matusik

While local communities are intended to reap the benefits of section 37 provisions, a new study considers the advantages of pooling them citywide.

Released Wednesday, University of Toronto research fellow **Abigail Friendly's** [report](#) compares *section 37* provisions to a similar tool used in São Paulo, where community benefits are “pooled” citywide. However, she told *NRU* that applying a similar concept in Toronto would be challenging.

“It seems hard to imagine how pooling could work except in smaller cases like Toronto Community Housing,” she says.

Ward 27 Toronto Centre-Rosedale councillor **Kristyn Wong-Tam** told *NRU* that section 37 benefits have been used to make important improvements to social housing in her ward where 10 per cent of all *section 37* funds automatically goes to the Toronto Community Housing Corporation. But this social housing investment is generally made in the same ward, albeit in a different neighbourhood. So while there is some flexibility it is not citywide.

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be generated in Yorkville, but it allows the freedom to reallocate the monies wherever those TCHC buildings are... So the wealth is generated in the wealthier communities and definitely going into the much poorer neighbourhoods.”

Friendly notes in her research that the wards generating most of the revenue from *section 37* benefits are in the affluent downtown core. In contrast, lower income wards like Etobicoke North, receive almost no benefits.

She says it would be “inspiring” to see *section 37* benefits pooled citywide, but sees the planning consensus—on the idea that benefits have to be near the development they are coming from—as a major barrier to this.

**Devine Park** partner **Patrick Devine** told *NRU* that *section 37* benefits are intended to relate to the development they are coming from in order to compensate the community for any associated negative effects. He says that, legally, it would be impossible to redistribute *section 37* benefits across the city.

“Section 37 was intended to address additional needs that are created in a specific area as a result of additional development,” he says. “There

was a series of cases that establish that there needs to be a planning connection between the funds or the services or facilities that are requested and the development. The theory is that in an area [where] you have more development, then you’ll have greater needs for certain services... to support that development.”

Devine suggests that the downtown wards may be “double-dipping” in that they reap the benefits of both *section 37* funds, and general tax revenue. He says that instead of pooling *section 37* funds, the money should be spent on major “bread and butter” projects, thereby freeing up general funds to use in wards with less development.

While *section 37* benefits are spent within downtown wards, there are other, more significant revenue streams—like development charges—

which primarily benefit the suburbs, Wong-Tam says.

“Because downtown wards are seen as cash rich, largely because of *section 37*, I know that there’s been, informally, downloading of additional costs onto the backs of downtown councillors... We are constantly being asked to pay for what should be city assets...”

“Our development charges have gone into this massive general pool, but I don’t think we’re actually seeing those monies come back in the same proportions as we’re sending into the general coffers.” 🌱

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- Kristyn Wong-Tam