

# The Time is Ripe: New Financial Tools for the City of Toronto's Parkland Dedication Rate

Parks have received attention during the COVID-19 pandemic as many flocked to green spaces during lockdowns and restrictions. The City of Toronto estimates that by 2034 there will be 25 m<sup>2</sup> of parkland per person in Toronto compared with 28 m<sup>2</sup> in 2016. Greater London and Washington, D.C. respectively have green space standards of 40 m<sup>2</sup>/person and 38 m<sup>2</sup>/person. Toronto lacks such standards.

Section 42 of the Planning Act stipulates that developers must either give land for parks to a municipality or provide cash-in-lieu (CIL) for their projects. In Toronto, CIL generated from S. 42 is apportioned into reserve funds, however its expenditure is inhibited by complex rules. **Municipal staff reported an uncommitted balance of \$221,899,012 that can be used towards parkland acquisitions. That would be 8.2% of the City of Toronto's Parks, Forestry & Recreation's \$2.7 billion 2022-2031 10-Year Capital Plan.**

Between May-July 2021, 21 interviews were conducted with government, financial, real estate and NGO representatives from Canada, Costa Rica, the U.K. and the U.S. The outcome was the Time is Ripe report in November 2021 detailing over 25 financial tools. From October 2021 to March 2022 with six formal interviews conducted with real estate, government and NGO representatives.

**I estimate that Toronto has an annual funding gap of USD 1.16-1.56 billion (CAD 1.51-2.03 billion) to address biodiversity. Toronto can issue \$1 billion in debt per year. There are \$749 million in withdrawals under its 10-Year Capital Budget (2022-2031), which can be partly used for parkland acquisition.** Toronto must look beyond reserves for parkland acquisition to address the biodiversity funding gap. Highlighted tools that can be used in addition to S.42 include: resilience bonds, environmental impact bonds (EIBs), parametric insurance, green bonds, and stormwater charges.

These gaps must be addressed to implement these tools: equity, financial literacy among policymakers and scientists, and biodiversity literacy among investors. Potential partners include: City of Toronto Indigenous Affairs Office, Mississaugas of the Credit First Nation, Greenbelt Foundation and Toronto Region Conservation Authority. Others include the financial, insurance and real estate industries.

These are my top recommendations for improving parkland acquisition in Toronto:

- **Remove barriers to parkland acquisition.**
- **Amend the cash-in-lieu allocation policy.**
- **Create a Green Urban Space Bond.**
- **Engage the emerging parks constituency.**
- **Explore Indigenous partnerships.**
- **Prepare for natural disasters with novel insurance products.**

Our next steps include: engaging in public awareness campaigns during elections, and convening municipal and financial stakeholders. For the latter, I am organizing an event in May 2022 to explore how the existing parkland acquisition process can be accelerated and new financial tools used.

Public support for parks is high. A high-functioning ecosystem needs rich biodiversity to thrive. As an interviewee put it: "If you have a big pot of money, you have the resources to deliver." If Toronto does not use these resources now then, when?

By: Jean-François Obregón Murillo

Supervised by:  
Professor Nina-Marie Lister

Second Reader:  
Jeremy Guth

Date: April 28, 2022

Course: Major  
Research Paper

Toronto Metropolitan  
University School of  
Urban and Regional  
Planning