

# City of Mississauga Corporate Report



Date: April 5, 2021  To: Chair and Members of Planning and Development Committee	Originator's files: CD.06- INC
From: Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building	Meeting date: April 19, 2021

## Subject

**Official Plan Review – Scope of Work for Increasing Housing Choices in Mississauga's Neighbourhoods Study"**

## Recommendation

That Council endorse the scope of work contained in the report titled, "*Official Plan Review – Scope of Work for Increasing Housing Choices in Mississauga's Neighbourhoods Study*" from the Commissioner of Planning and Building, dated April 5, 2021.

## Executive Summary

- Bill 108, *More Homes, More Choice Act, 2019*, which received Royal Assent on June 6, 2019, introduced changes to the *Planning Act* requiring municipal Official Plans to contain policies allowing up to two additional residential units in conjunction with a single detached, semi-detached or rowhouse primary dwelling.
- The City is required to comply with the changes made by Bill 108 through Official Plan, Zoning By-law or other regulatory changes. However, the City may include policy direction to address a variety of planning compatibility and fit issues in existing neighbourhoods.
- The *2020 Provincial Policy Statement* (in force May 1, 2020) also encourages planning authorities to permit and facilitate a range and mix of housing options, including new development as well as residential intensification, to respond to current and future needs. Housing options can mean a range of housing types such as garden suites and duplexes, as well as housing arrangements such as co-ownership housing and co-operatives.
- The cost of ground-related homes in Mississauga has climbed in recent years and there are limited opportunities to add new supply given the City's lack of greenfield

land.

- Several cities in Canada and the U.S. have adopted new policies to implement gentle forms of infill in neighbourhoods. Recent Council, Committee of Adjustment and Local Planning Appeal Tribunal (LPAT) decisions have also allowed for more types of infill in neighbourhoods.
- This report proposes a study to bring the City's Official Plan into conformity with the Provincial requirements and look at other possibilities to increase the supply of ground-related housing units. Public consultation is an important component of the scope of work.

## Background

The City is currently undertaking its decennial update to its Official Plan. As part of this review, staff are examining neighbourhood land-use policies to ensure they conform to current provincial regulations and are appropriate given the evolving practices in the planning field. Staff's review will focus on Official Plan policies and high-level recommendations, however, it is expected that the public consultation process may identify possible zoning changes to be considered by Council at a later time. As a point of reference, 81% of Mississauga's total residential land area is designated for low-density housing forms.

The Province has recently changed some of its policies to be more permissive of neighbourhood infill. Amendments to the Planning Act and Provincial Policy Statement require all municipalities in Ontario to permit three dwelling units in detached, semi-detached and rowhouse forms along with expanded permissions allowing a range of housing arrangements such as co-ownership. Although several of the regulatory changes are mandated by the Province, the City has broad authority over implementation.

In addition to the provincial legislative changes, there has been a growing movement across North America to re-examine the planning designations in neighbourhoods to increase opportunities for new residents. The conversations on diversity and inclusion that accelerated in 2020 have further elevated this issue. Cities like Minneapolis, Portland and Sacramento (pending) have undertaken the most prominent changes by essentially eliminating single-family zoning.

In Canada, affordable housing advocacy groups and development industry associations have been increasingly requesting municipalities reassess their neighbourhood infill policies.<sup>1</sup> Cities such as Ottawa, Toronto, London, Vancouver, and Edmonton have also begun to review ways to increase housing diversity in neighbourhoods. Most of their scopes of work aim to add density while maintaining development scale and community attributes. Public consultation is an important component of these reviews, as cities must balance a number of complex issues around housing supply, affordability, community character and servicing.

At the February 5<sup>th</sup>, 2020 Planning and Development Committee meeting, staff also received direction to assess the consolidation of low density categories to reduce the number of rezonings for lot size variations. This would also be reviewed as part of this study.

## Comments

### 1. What Does Increasing Housing Choices in Neighbourhoods Mean?

Increasing housing choices in neighbourhoods refers to re-examining planning permissions to expand the range of low-rise housing forms and tenures permitted in residential neighbourhoods. This may include different built forms being located next to each other, such as detached houses, townhouses and triplexes. Or more ownership/rental options within a dwelling. At present, the mixing of uses and tenures tends to be most prevalent in older areas of cities. Areas of Port Credit for example currently have this mix.

In general, Official Plan and zoning by-laws across North America evolved in the post war period to be more restrictive of what could be built in neighbourhoods. An emphasis was placed on what is there, not what could be there. This led to more homogeneous housing types and household groups (e.g. income and race in some cases) within an area. More restrictive permissions meant that adding more variety of built forms and tenures required Official Plan and/or zoning amendments or Committee of Adjustment applications.

Table 1 shows different implementation approaches of gentle intensification and Appendix 1 provides more detail on the different housing types and arrangements. For example, the City may wish to implement the approach of limiting changes to the exterior of residential buildings and/or total building envelope to complement existing neighbourhood context. This approach could be done through various housing types like duplexes or housing arrangements like co-ownership.

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<sup>1</sup> The Future of Housing in the GTHA The Impact of Land Use Policy by BILD and Malone Given Parsons (2018): <https://bildgta.ca/Assets/Land-Use-Study-Commentary-BILD.pdf>

**Table 1: Types of Neighbourhood Infill**





	<b>Implementation Approach</b>	<b>Considerations (also see Appendix 1)</b>	<b>Prov. Mandated</b>
<b>A</b>	<b><i>Additional Accessory Residential Units (ARUs) on a lot</i></b>  Garage Conversion (Vancouver, B.C.)	<ul style="list-style-type: none"> <li>Includes garage conversions, laneway houses, garden suites, and coach houses being constructed on a lot with an existing dwelling.</li> <li>Some ARU forms may be limited due to context.</li> </ul>	Yes
<b>B</b>	<b><i>More units within the same building envelope</i></b>  Triplex (Portland, Oregon)	<ul style="list-style-type: none"> <li>Involves allowing more separations in dwellings. For example, building looks like a single-detached unit from the outside but is a duplex (2 units) or triplex (3 units) on the inside.</li> <li>Most of the units are rental tenure.</li> <li>Minimal visual impact on exterior.</li> <li>These are currently permitted in Mississauga in certain areas.</li> <li>Involves allowing more of these types in areas where they currently are not permitted.</li> </ul>	Yes
<b>C</b>	<b><i>More ownership units in a building envelope</i></b>  Co-ownership home for sale by Solterra Co-Housing Ltd. (Barrie)	<ul style="list-style-type: none"> <li>Allowing more ownership structures such as co-operatives, shared ownership, home share and lodging in a dwelling.</li> <li>Minimal visual impact on exterior.</li> </ul>	Yes
<b>D</b>	<b><i>Legal second units</i></b>	<ul style="list-style-type: none"> <li>Mississauga's zoning currently permits second units.</li> </ul>	Yes

Table 1: Types of Neighbourhood Infill			
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	 2 Bedroom Basement Apartment (Mississauga, <a href="http://www.mississauga4sale.com">www.mississauga4sale.com</a> )	<ul style="list-style-type: none"> <li>Mississauga Official Plan to be amended to reflect in-force zoning.</li> <li>Second units may need to be re-defined as internal ARUs.</li> </ul>	
<b>E</b>	Same type of units but at higher density	<ul style="list-style-type: none"> <li>Involves being more permissive on minimum lot sizes. For example, permitting 40 foot lot single detached dwellings in areas zoned for 50+ foot lot singles.</li> </ul>	No, previous PDC direction
<b>F</b>	Expand range of housing types where currently not permitted	<ul style="list-style-type: none"> <li>Involves allowing some combination of more semi-detached, row housing, and small apartments in areas where they are not permitted.</li> <li>Would need to be compatible with the existing physical character.</li> </ul>	No, being looked at as part of OP Review

Many of the neighbourhood infill approaches shown in the above table already exist in Mississauga. This may be through existing policies (secondary suites), Council approval of development applications, Committee of Adjustment decisions or LPAT orders. From 2014 to 2019, Mississauga's neighbourhoods averaged approximately 400 new gentle intensification type of units per year. Approximately 165 of them were new legal secondary suites in the form of basement apartments.

In Mississauga, as with many cities, neighbourhood infill currently tends to occur in areas with a combination of vacant or underutilized land, wider lots and older houses. The exception to this being secondary suites which tend to occur City-wide. The recent Lakeview West Infill Housing Study is an example of a form of gentle intensification in a specific area along Lakeshore Road East.

## 2. Why are Cities Looking at Increasing Housing Choices in Neighbourhoods?

*There is demand for more ground-related housing*

While high-rise apartment units located within nodes and corridors can meet the needs of many Mississauga residents, they are not an ideal built form for everyone. Residents looking for ground-related forms typically value unit size, outdoor space, proximity to schools and community services as key attributes. The pandemic has seen many residents place an even greater weight on these features. This has helped push the average resale detached home price in Mississauga to \$1.4 million. Furthermore, the per square foot sale price of a high-rise apartment in Mississauga is about 40% higher than a wood frame ground-related unit. This makes it expensive for families to purchase a large high-rise apartment unit.

The present demographics of the region has also resulted in more households looking for ground-related housing than there are units available, which is a key factor pushing up house prices. The peak age of the baby boom cohort in the Toronto metropolitan area is currently about 57 years old and the peak age of millennials is about 32 years old.<sup>2</sup> As a result, there is a large group of empty nester households that are not yet ready to downsize at the same time as a large 30+ group is looking for ground-related housing in neighbourhoods. Explained differently, houses in older neighbourhoods (built before 2006) have an average occupancy of about 3.3 people compared to newer neighbourhoods (built after 2016) that have an average occupancy of about 4.1 people.

When considering seniors, 68% of Mississauga's population 65-84 years of age live in low-density units. Staff would like to explore if smaller ground related housing options were available in their existing neighbourhoods would seniors be more likely to downsize, freeing up larger units for growing families.

*It has the potential to create units affordable to middle-income families*

The City's Housing Strategy: Making Room for the Middle showed the supply of affordable housing options available for middle-income households has become increasingly limited in recent years. For example, while teachers, nurses, and social workers may have been able to afford townhouses in Mississauga in the early 2010s, this is would be difficult today with condominium townhouses averaging \$755,000. Middle-income households often struggle to afford market housing but also earn too much to qualify for housing assistance. Action #2 – *Review Development Standards and Requirements* and #8 – *Investigate Infill Opportunities of the Strategy* are a few of the actions endorsed by Council to remove barriers to affordable housing for middle-income households.

Some forms of neighbourhood intensification are likely to result in more affordable units than may currently exist in the neighbourhood. For example, in the case of a vacant lot within a

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<sup>2</sup> 2016 Census of Canada, Toronto Census Metropolitan Area.

neighborhood, a new 2,500 square foot detached building split into a rental triplex will likely provide units affordable to middle-income households whereas the current policy regime and market tends to create an expensive 2,500 square foot house for a single family. The option for shared ownership structures are also likely to make ownership units more affordable.

It is important to note that not all units created through gentle intensification are necessarily going to be affordable - this was observed in municipalities who have recently explored or implemented gentle intensification. For example, a new and modern townhouse may sell for the same price as the old bungalow it replaced. However, certain benefits of intensification, such as the efficient use of services, not growing in greenfield areas, and protecting agricultural lands, may still apply.

#### *Use of existing municipal services*

Between 2011 and 2016 the population in Mississauga's Official Plan designated neighbourhoods declined by about 2,000 people. While population declines are not uniform to every neighbourhood, there are likely opportunities for new residents to move in and make use of existing capacity in school, park, road, water and wastewater infrastructure. At a high level, staff will assess neighbourhood infill from a regional growth management perspective. i.e. if adding infill units in existing urban areas is more cost efficient than expanding greenfield development areas. The Region of Peel is currently undertaking some of this work as part of the Municipal Comprehensive Review.

### **3. Gentle Intensification Units are Expected to be a Modest Share of the City's Future Growth**

Notwithstanding the strong demand for more ground related units, any change to the City's neighbourhood infill policies are not expected to lead to large shifts in the number of infill units created each year. For instance, property owners can currently apply for infill through a development application but as mentioned earlier, in the last five years approximately 400 new gentle intensification type of units per year have materialized City-wide. Mississauga's planning policies also prevent "block busting" in order to discourage large land consolidations in low density areas.

In addition, small-scale developers generally favour selling a new neighbourhood unit to a single property owner for ownership purposes in order to obtain immediate income, rather than for a rental income stream. The study will therefore examine approximately how many new units may be expected from gentle intensification should policies be amended and the most likely locations.

### **4. There are Many Implementation Considerations that Will Need to be Considered as Part of the Study**

As part of the consultation process with City and regional departments, development stakeholders and members of the public, staff expect many implementation challenges will be discussed. This will likely include:

- General community character being affected
- Affordability considerations
- Height, setback, and lot coverages consistent with existing community characteristics
- How servicing and parking can be addressed
- Impact on trees within neighbourhoods
- Affect on property values
- Treatment of unit typologies under the *Development Charges Act*
- Recent LPAT and Committee of Adjustment Decisions
- Building and fire code issues
- Construction impacts

Examining neighbourhood infill policies is a complex undertaking as there are many interdependencies with other priorities and regulations. As such, consultation will be an important part of the study. Staff are proposing to provide Council with a report explaining the benefits and challenges of gentle intensification and what approaches are most feasible and where.

## 5. The Study will Consider Existing Local, Regional and Provincial policies

The following key Provincial policy directions will be considered:

- *Planning Act, 1990 (changes from Bill 108, More Homes, More Choices Act, 2019)*: Municipalities are directed to permit up to two additional residential units on lots containing a detached house, semi-detached house or rowhouse and in an accessory building. This means that municipalities must permit a total of three residential units for each property that has a detached house, semi-detached house or rowhouse, providing the lot size, location and servicing infrastructure permit it.

Mississauga's current Official Plan (Policy 11.2.5.8 through MOPA13) and Zoning By-Law (Subsection 4.1.20) permits second units. This Scope of Work intends to develop policies to align with Provincial direction and permit the third unit in Mississauga's context.

- *Provincial Policy Statement, 2020*: Municipalities are required to provide for an appropriate mix of "housing options" and densities, and permit all forms of residential intensification. "Housing options" is defined as various housing types such as traditional low-rise dwellings as well as multiplexes, additional residential units (e.g. coach houses, garden suites, and laneway suites), and multi-residential buildings. It is also defined as

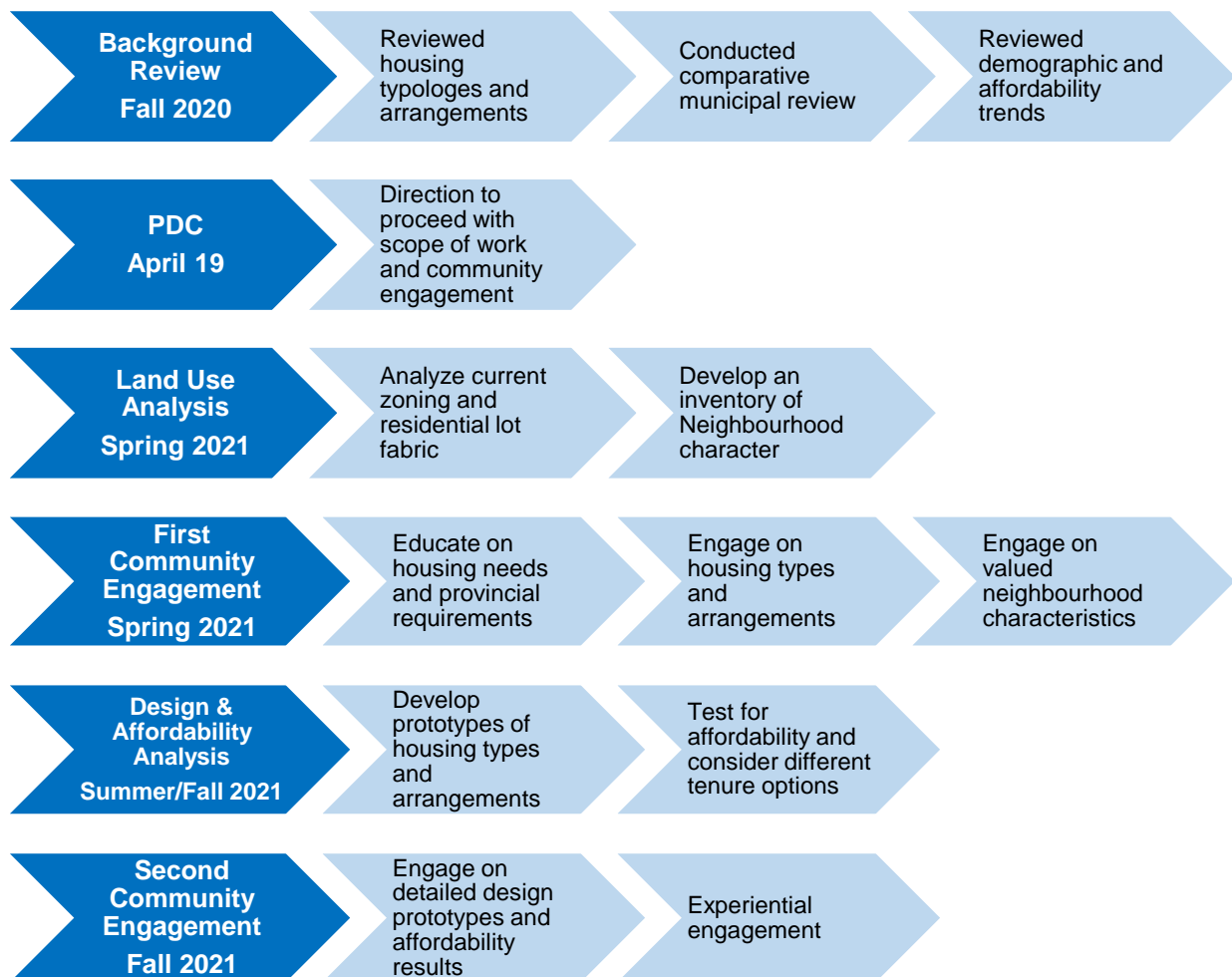


housing arrangements such as life lease housing, co-ownership housing, co-operative housing, community land trusts, land lease community homes, affordable housing, housing for people with special needs and housing related to employment, institutional or educational uses.

These Provincial policy directions are also outlined in the Housing Research Brief as part of the Official Plan Review): [https://yoursay.mississauga.ca/official-plan-review/news\\_feed/research-briefs-now-available](https://yoursay.mississauga.ca/official-plan-review/news_feed/research-briefs-now-available)

## 6. The Proposed Scope of Work

Below is the proposed Scope of Work for the Increasing Housing Choices in Neighbourhood Study. Milestones are listed on the left and tasks/objectives are on the right. The Scope of Work will coincide with the Official Plan Review engagement.





## Strategic Plan

The need for affordable housing originated from the Strategic Plan 'Belong' Pillar. More specifically, the Strategic Action 1: Attract and keep people in Mississauga through an affordable housing strategy.

## Engagement and Consultation

Two non-statutory engagements are planned to consult on this project. One is proposed for the Spring and the second is planned for the Fall of this year according to key milestones of the Scope of Work. These engagement sessions will be an opportunity to educate the community on the various housing types being explored and how they may be able to provide more housing choice across the City. They will also be an opportunity to receive feedback from the community on opportunities and challenges to implementing these gentle intensification forms in Mississauga's neighbourhoods. Between the engagements, there will be additional opportunities for the community to provide feedback through council reporting and online engagement tools.

## Financial Impact

An external consultant will need to be retained to help illustrate what gentle intensification built forms could look like and how they could be integrated into the existing community. Staff have set an upper limit of \$100,000 but this work will probably cost much less. The source of funding is from the Growth Management (Official Plan) Capital Project.

Financial impacts of implementing gentle intensification will also be explored in detail and brought for Council's consideration in future reporting.


## Conclusion

This report provides a Scope of Work for the City to align with Provincial policies to implement more housing options in municipalities while also addressing a variety of planning compatibility and fit issues in Mississauga's Neighbourhoods. This work will culminate in recommended changes to Mississauga's Official Plan and considerations for implementing zoning to provide

more housing choices across the City. Staff will be reporting back to Council with updates throughout the process.

## **Attachments**

Appendix: 1 – Housing Typology and Comparative Review



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