

City of Mississauga
Corporate Report



<p>Date: October 4, 2023</p> <p>To: Mayor and Members of Council</p>	<p>Originator's files: CD.06.HAF</p>
<p>From: Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building</p>	<p>Meeting date: October 11, 2023</p>

Subject

Response to Minister of Housing, Infrastructure and Communities letter dated October 3, 2023 and Update to CMHC Housing Accelerator Fund Application

Recommendation

1. That Council endorse the application updates contained in the report titled "Response to Minister of Housing, Infrastructure and Communities letter dated October 3, 2023 and Update to CMHC Housing Accelerator Fund Application", dated October 4, 2023 from the Commissioner of Planning and Building, and that staff be directed to revise the application accordingly.
2. That staff be authorized to undertake any new work identified in approved revisions to the City of Mississauga's Housing Accelerator Fund application.

Executive Summary

- Canada Mortgage and Housing Corporation's Housing Accelerator Fund ("HAF") is a \$4 billion application-based fund for new municipal initiatives that accelerate housing supply.
- The City of Mississauga's ("City") HAF application was submitted on June 14, 2023.
- On October 3, 2023, the Federal Minister of Housing, Infrastructure and Communities requested four (4) improvements to the City's application in a letter to Mayor Crombie:
 1. Permit four (4) units as-of-right city-wide;
 2. Permit four (4) storeys as-of-right within 800 metres walking distance of the Light Rail Transit and Bus Rapid Transit lines;
 3. Better utilize the community within walking distance of all GO stations; and
 4. Increase rental housing for students within walking distance of post-secondary institutions.
- The requests are largely in alignment with existing initiatives. Minor updates to the City's HAF application would demonstrate Council's commitment to increasing housing supply.

Background

The Canada Mortgage and Housing Corporation's ("CMHC") Housing Accelerator Fund ("HAF") is a \$4 billion application-based incentive program with a stream targeting new local (lower-tier) municipal government initiatives with the goal of an additional 100,000 building permits being issued across Canada between 2024 and 2026. Mississauga's share of funding could be in the order of \$120 million.

CMHC identified the City of Mississauga ("City") as a growth leader and regularly collaborated with staff throughout the HAF application process. The application required a Council-approved Action Plan committing to a minimum of seven (7) new initiatives and growth targets. The Action Plan was presented to General Committee on May 24, 2023 (Appendix 1) and subsequently approved in principle by Council on May 31, 2023 (GC-0209-2023). On June 14, 2023, the City's HAF application was submitted identifying the following eight (8) initiatives, each of which contain sub-initiatives:

1. Incentivize affordable rental housing
2. Expand as-of-right permissions in residential neighbourhoods
3. Accelerate housing through systems improvements and case management of development applications
4. Unlock growth through strategic investments in transit/multi-oriented development
5. Partner with the Region (or successor) to build housing for households in need
6. Convert employment lands and implement mixed-use zoning where appropriate
7. Identify opportunities for new multi-unit residential permissions on key sites
8. Optimize government land for affordable housing

A summary of the final HAF application is contained in Appendix 2, and changes between the Action Plan approved-in-principle by Council and the final application are outlined in Appendix 3.

HAF funding may be spent on Action Plan initiatives, affordable housing, and housing-related or community-related infrastructure. Discretion is given to the City to determine the proportion of funding allocated to each category.

Present Status

CMHC advised staff on August 8, 2023 that its internal assessment process was complete and the Minister of Housing, Infrastructure and Communities' ("Minister") office would conduct a final review. Following the submission of additional supplementary information requested by the Minister's office, Mayor Crombie received a letter from the Minister, dated October 3, 2023, requesting four (4) improvements to the City's application (Appendix 4).

It is staff's understanding that a response to the Minister's letter is required by mid-October in order to meet HAF timelines.

Comments

The purpose of this report is to respond to the four (4) requests identified in the Minister's letter:

1. Permitting four units as-of-right city-wide;
2. Permitting four storeys as-of-right within 800 metres walking distance of the LRT and BRT transit lines;
3. Work to better utilize the community within walking distance of all the Go stations for housing and mixed-use developments, especially along the Lakeshore West line; and
4. Work to increase rental housing developments for students within walking distance of your post-secondary institutions.

Staff note that the letter does not mandate that these requests be implemented, but rather that these items be addressed in the City's HAF application. Accordingly, in order to demonstrate Council's commitment to increasing housing supply across Mississauga, staff propose amending the HAF application to include the requests in order to determine how and where they may appropriately be implemented. The Minister's requests largely align with existing initiatives and are unlikely to result in significant built form changes on the ground.

Request 1: Permit four (4) units as-of-right city-wide

Bill 23 requires that three (3) units are permitted on single residential lots as-of-right, subject to built form standards in the zoning by-law and the Ontario Building Code. Increasing permissions by an additional unit could be done where appropriate by applying the lessons learned about plexes through *Increasing Housing Choices in Neighbourhoods*. The Province has identified four (4) units (and four storeys) per lot as an item in their Housing Task Force work that could be mandated province-wide in the near future. Staff intended to bring an Information Report to the Planning and Development Committee in February 2024 assessing quad and multi-plexes even before this new letter was received. Notwithstanding the "city-wide" language, it is likely that only certain (larger) lots will be able to accommodate four (4) units.

At General Committee on October 4, 2023, Councillor Tedjo brought forward a Notice of Motion¹, seconded by Councillor Parrish, to direct staff to propose amendments to permit four-unit housing.

Proposed Application Amendment:	<u>Initiative 2, Milestone 1</u> : add new Milestone to consider four (4) units per lot city-wide subject to lot size and built form standards criteria to be developed by city staff
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¹ <https://pub-mississauga.escribemeetings.com/Meeting.aspx?Id=54137a65-b969-469a-9d22-fdc0e2e31a2f&Agenda=Merged&lang=English&Item=31&Tab=attachments>

Request 2: Permit four (4) storeys as-of-right within 800 metres walking distance of the LRT and BRT transit lines

The vast majority of the City’s Major Transit Station Areas (“MTSA”) currently permit four (4) storeys, or more, as-of-right. Approximately 15% of the City’s MTSA’s contain small areas with height limits under four (4) storeys. Usually they correspond to existing low density houses or townhouse blocks. Policies could be amended to expand as-of-right permissions for four (4) storeys in additional areas, subject to site specific and contextual analysis, through further MTSA work and the Official Plan review and/or additional work within the HAF timeline.

Staff note that a walking distance of 800 metres is not the same as a radius of 800 metres. Accordingly, it is not anticipated that a large number of appropriate sites, particularly beyond designated MTSA’s, would require analysis and subsequently qualify for increased as-of-right height.

Proposed Application Amendment:	<p><u>Initiative 4:</u> add new Milestone to consider four (4) storeys in all MTSA’s and transition areas within 800 metres of transit stations, subject to site specific and contextual analysis</p> <p><u>Initiative 6, Milestone 2:</u> expand to include additional sites, subject to site specific and contextual analysis</p>
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Request 3: Work to better utilize the community within walking distance of all the GO stations for housing and mixed-use developments, especially along the Lakeshore West Line

Staff have requested clarification on this request from CMHC. Based on the assumption that the request is in reference to community infrastructure, MTSA expansions or transition area policies for GO stations can be considered, based on site specific and contextual analysis (including infrastructure and servicing capacity). This request could also tie into Request 2 in that there are some small areas along the Lakeshore West GO line (Mineola and Port Credit) that have three (3) storey height limits. However, some of these lower height areas contain either townhouse blocks or multi-owner retail blocks that are more difficult to redevelop.

The Clarkson GO area has been subject to a recent study and staff will be presenting the final recommendations within the coming months. Staff are also currently assessing land use conversions in close proximity to the Lisgar and Erindale GO stations.

Staff support the Minister’s intention to utilize existing community infrastructure, including schools, as efficiently as possible and encourage transit-supportive development.

Proposed	<u>Initiative 4:</u> add new Milestone to continue to study GO station MTSA’s
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Application Amendment:	and surrounding transition areas
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Request 4: Work to increase rental housing developments for students within walking distance of post-secondary institutions (“PSI”)

The upcoming Affordable Rental Housing Community Improvement Plan (“CIP”) could specifically address the need for student housing within walking distance to PSIs and consider appropriate incentives to encourage this type of housing. CIP incentives combined with the existing reduced Inclusionary Zoning set-aside rates for the provision of rental units and the recently enhanced GST/HST rebates for purpose-built rental, could encourage the market to provide this form of housing in Downtown Mississauga, which is home to two (2) PSIs.

Note that CMHC has confirmed that student dormitories are not eligible under HAF, accordingly this request only speaks to rental apartments.

Proposed Application Amendment:	<u>Initiative 1, Milestone 1:</u> amend to reflect that the areas around PSIs will be specifically considered
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Summary

Based on the letter from the Minister, it is unlikely that the City’s HAF application will be approved in its current form. Should the application be approved without all of the Minister’s requests, the City is unlikely to receive its full estimated apportionment of \$120 million.

Staff view the additional four (4) requests to be reasonable and they largely align to work already underway. If Council endorses the proposed HAF application updates, staff will work collaboratively with the City’s Housing Panel to advance the provision of new housing units in Mississauga.

Strategic Plan

Housing supports the Strategic Plan “Belong” Pillar, specifically the “Ensuring Affordability and Accessibility” and “Support Aging in Place” Strategic Goals.

Financial Impact

There is no financial impact resulting from this report. Securing the HAF funding will allow the City to advance *Growing Mississauga* initiatives and fund other projects that support and encourage growth. The funds are advanced in four (4) equal installments over the program and

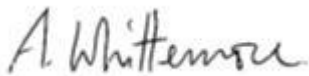
failure to show progress on the Action Plan or comply with program requirements may put program funding at risk.

Conclusion

Funding received through HAF will encourage transformational change and create positive impacts on overall housing supply and affordable housing in Mississauga. The Minister's requests support the creation of additional housing units that are transit-supportive and efficiently utilize existing and planned infrastructure investments.

Attachments

- Appendix 1: CMHC Housing Accelerator Fund Application Corporate Report (May 2023)
- Appendix 2: Changes to Action Plan since Council Approval-in-Principle
- Appendix 3: Summary of Housing Accelerator Fund Application (2023)
- Appendix 4: Letter from the Minister of Housing Infrastructure and Communities to Mayor Crombie, dated October 3, 2023



Andrew Whitemore, M.U.R.P., Commissioner of Planning & Building

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