

# Affordable Rental Housing Community Improvement Plan

Planning and Development Committee

July 29, 2024



# CIP Background and Status

- **Purpose**

- Provide incentives to stimulate construction of housing that may not otherwise occur

- **Project Status**

- Consultation occurred March to June 2024
- Info Report / Public Meeting held at Planning and Development Committee on May 21, 2024
- Today: Final Recommended CIP



# Multi-Residential Rental Incentive Program

## Purpose

- Market rents are unaffordable → this program encourages construction of affordable / below-market rental units
- Target of 300 units over 3 yrs

## Eligibility

- Min. 5 affordable / below-market units in a project
- Min. 25 years affordability

## How it works

- Eligibility: Units at or below 100% or 125% Average Market Rent (AMR)
- Multiple incentives are available per unit
- First-come-first-served (Non-competitive / no scoring)
- Encourage stacking with other funding programs

# Multi-Residential Incentives

## Affordable Units (100% AMR)

Capital grant (\$130K)

+

Building Permit grant-in-lieu (~\$2K)

+

Statutory municipal fee exemptions:  
DC, CBC, and Parkland fee (~ \$50K-\$100K)

+

Non-profits only: Planning application fee relief

+

Potential to stack with Peel Affordable  
Rental Incentive Program (PARIP)

## Below-market Units (125% AMR)

Capital grant (\$60K)

+

Building Permit grant-in-lieu (~\$2K)

+

Municipal fee grant-in-lieu:  
City DC, CBC, and Parkland fee (~ \$50K-\$100K)

# What We Heard

## Feedback from Development Stakeholders

- Not enough capital funding to close gap (gap can be over \$200K per unit after exemptions)
- Stacking with Region's program may not always be possible (process and \$\$ limits)
- Need operating cost offsets too (e.g. taxes)
- Should be incentivizing market rental

## Response

- Impact of several recent enabling changes still to be seen (e.g. no HST on rental)
- Recommend increasing capital grant to \$130K /\$60K
- Recommend Regional program changes and analysis of new municipal property tax class

# Gentle Density Incentives

## Purpose

- Encourage Additional Residential Units (ARUs)
- Complement other ARU initiatives (e.g. pre-approved plans)
- Offset certain municipal fees

## ARU Incentive

- Grant-in-lieu of building permit fee
- Legalization / new construction

## Fourth Unit Incentive

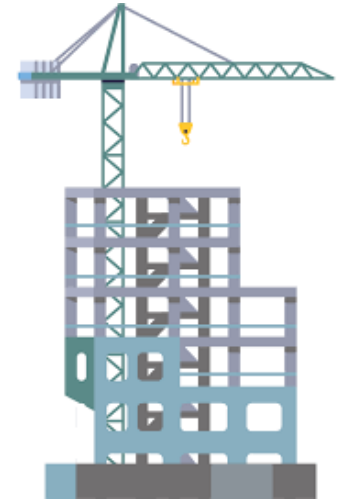
- Grant-in-lieu of City DCs & Parkland fees
- 25-year rental requirement

## Residential Conversion Incentive

- Grant-in-lieu of Parkland fee
- 25-year rental requirement

# Enabling Programs

- Tax Increment Equivalent Grant (TIEG)
  - A max. 25-year TIEG is included for units qualifying in *Multi-Residential* program
  - Council must approve a funding source
- Land Acquisition and Disposition Program
  - City will be permitted to acquire and dispose of municipally-owned property for affordable housing



# Funding

- Funding Proposed: \$44M
  - \$34.8M from Housing Accelerator Fund (HAF)
  - \$9.3M from Affordable Housing Reserve Fund
- CIP lasts 3 years or until funding is exhausted (HAF timeframe)
- Delegated authority to staff (CAO) to award funding to projects





# Next Steps

- Work with Region of Peel
  - Review potential for new municipal tax class (lower rate)
  - Potential changes to PARIP
- Program launch in Fall 2024
  - Currently developing implementation procedures and guidelines
- Open to discussions with members of the public interested in applying – please contact CIP project staff:



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