

Application Guide

Multi-Residential Rental Incentive Program Affordable Rental Housing Community Improvement Plan

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Background

On July 31, 2024, Mississauga City Council (Council) passed By-law 0144-2024, adopting a Affordable Rental Housing Community Improvement Plan (CIP) for Mississauga. The CIP is a citywide project intended to increase rental housing in Mississauga, including affordable rental housing.

The Affordable Rental Housing CIP consists of two programs:

- The Multi-Residential Rental Incentive Program, which incentivizes the creation of affordable and below-market units in new non-profit and private-sector multi-residential housing projects; and,
- The Gentle Density Incentive Program, which incentivizes the creation of second, third, and fourth rental units in lower density neighbourhoods.

Purpose of this Application Guide

This Application Guide is intended to support and assist potential applicants with the application process for the Multi-Residential Rental Incentive Program. Applicants should read and review this Application Guide prior to proceeding with the application process.

For more information about the Multi-Residential Rental Incentive Program, visit <https://www.mississauga.ca/services-and-programs/building-and-renovating/incentives-for-building-affordable-housing/>

Available Incentives

The Multi-Residential Rental Incentive Program offers grants for certain municipal fees for units achieving one of two thresholds of affordability: affordable units and below-market units. Affordable units are those units rented at or below 100% Average Market Rent (AMR)¹. Below-market units are those rented above 100% AMR but no higher than 125% AMR. AMR is published annually by the Canada Mortgage and Housing Corporation (CMHC) through the

¹ Affordability is determined by comparing the lower of (a) average market rent or (b) housing costs that are no greater than 30% of income for renter households in the 6th income decile. At present, average market rent is the lower value, but this could change in future years.

annual Rental Market Survey, and is also posted in the [Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin](#).

The current rent rates by unit type for the 100% AMR and 125% AMR depths of affordability are identified in Table 1 below.

Table 1 – Maximum Rents based on 100% AMR and 125% AMR*

	1-Bedroom	2-Bedroom	3-Bedroom
Affordable units (100% AMR)	\$1,625	\$1,855	\$1,967
Below-market units (125% AMR)	\$2,031	\$2,319	\$2,459

*Maximum rent values are updated annually.

A description of the incentives available for each threshold of affordability is provided below.

Affordable Units

NOTE ON STATUTORY EXEMPTIONS: Units that meet the DC Act definition of “affordable residential unit²” for a minimum of 25 years are eligible for provincially legislated exemptions for municipal development related charges. The exemption includes City, Region, and GO Transit Development Charges (DCs), Community Benefit Charges (CBCs), and Cash-in-lieu (CIL) of Parkland on an affordable residential unit, but it does not include School Board Development Charges. An application to this program under the CIP is not required to obtain these statutory exemptions. However, developers will need to inform the City of the number of affordable residential units to be included in the proposed development, and an agreement with the City / Region is still required to secure the exemptions. It is recommended that applicants inform the City as soon as possible, and indicate affordable units on site plan drawings.

Through the CIP, the following incentives are available for affordable units (100% AMR):

- A capital grant of \$130,000 per affordable unit;
- Statutory exemptions on charges, as noted above;
- A grant to cover the cost of Building Permit fees; and
- Planning application fee relief for non-profits³.

Below-Market Units

For below market-units (rents above 100% AMR but below 125% AMR), the following incentives are available:

- A capital grant of \$60,000;
- Units rented at 125% AMR units are not eligible for statutory exemptions from charges. This CIP will offer a grant to cover the cost of City DCs only, CBCs, and CIL of Parkland. Regional and GO Transit DCs would still be payable; and
- A grant to cover the cost of Building Permit fees.

² Currently, this means units rented at or below 100% AMR

³ Non-profit planning application fee relief is available through the CIP as an interim measure, until a more permanent measure is put in place.

Note on Capital Grants

Generally speaking, the amount of the capital grant issued will be the full \$130,000 per affordable unit or the full \$60,000 per below-market unit, unless an applicant has previously secured capital funding from the Region of Peel. In this case, the financial incentives from the City will need to be justified through a pro forma gap analysis submitted with the application to this program.

Eligibility

Projects from private, public, and non-profit housing providers including non-profit housing co-operatives, or private/public/non-profit partnerships are welcome to apply to the Multi-Residential Rental Incentive Program. Incentives are only available to those applicants that meet the eligibility criteria listed below.

Eligibility Criteria

To be eligible for the Multi-Residential Rental Incentive Program, projects must:

- Include five (5) or more affordable and/or below-market rental units that meet the minimum unit size requirements identified in Table 1; and
- Include a minimum 25-year affordability term for the affordable and/or below-market units.

Table 1: Minimum Unit Size Requirements

Unit Type	Minimum Unit Size
1-bedroom	47 square meters
2-bedroom	63 square meters
3-bedroom	79 square meters

In addition to the minimum eligibility criteria, a Building Permit will be required to secure funding.

In the event that the demand for funding is greater than the available funding for this program, projects will be prioritized for funding based on readiness to obtain building permit. The City may employ other criteria to determine funding allocations to projects, if necessary.

Exclusions

Equity cooperatives and units that are covered by the Rental Protection By-law or that fulfill an applicant’s Inclusionary Zoning or Section 37 – Density Bonusing requirements or are provided as in-kind CBC contributions are not eligible for funding through the Multi-Residential Rental Incentive Program.

Projects that have Received Funding from other Government Programs

If your proposal has secured funding from the federal (e.g. CMHC funding), provincial, or regional government, you are required to disclose the funding on your application form. Applications should also include demonstration of why the project needs additional funding (e.g. pro forma gap analysis).

How To Apply

Please refer to the steps below, as well as Figure 1 for an explanation of the application process.

Step 1 – Call for Applications

The City will launch the Call for Applications on November 7, 2024. As a first step, if you think your project may qualify for the Multi-Residential Rental Incentive Program, familiarize yourself with the application form and email us at housingincentives@mississauga.ca to set up a pre-application meeting. In your email, include:

- Project site and brief description of your proposal;
- Project's current status regarding planning approvals and building permit application; and
- Preliminary ideas about the number of affordable / below-market units to be included in the project.

The Application Form is posted to the program webpage at <https://www.mississauga.ca/services-and-programs/building-and-renovating/incentives-for-building-affordable-housing/>

There is no fee to apply for the Multi-Residential Rental Incentive Program.

City staff will set up a pre-application meeting with you within two weeks of your meeting request.

Once you have all the required information, submit your application by no later than January 10, 2025 to be included in the evaluation process for the first wave of applications. The Call for applications will remain open through 2027 or until funds are exhausted, but applications received by January 10, 2025 will be prioritized for funding allocations.

Step 2 – Evaluation of Applications

This step primarily involves staff evaluating applications and allocating funding to projects. You may be contacted by the City for additional information. This process is expected to take approximately 1 month.

Step 3 – Conditional Funding

The City will email you with a Conditional Funding Letter. The City will make every effort to provide the Conditional Funding Letters by February 10, 2025, for applicants that submitted their application to this program by January 10, 2024. The Letter will outline the amount of units in your proposal that will be eligible for funding, provided you apply for building permit in the timeframe you set out in your application form. The precise funding amount may not be included in the Conditional Funding Letter.

You will also receive a draft legal agreement, and it is recommended that you begin reviewing the agreement at this time, so that you are ready to sign and execute the agreement soon after you submit building permit application.

The City will conduct quarterly check-ins to confirm you are on track to apply for building permit as anticipated.

It is strongly recommended that you identify affordable / below-market units on site plan and building permit drawings.

Step 4 – Building Permit Application

When you are ready to apply for Building Permit (the first permit in your process, whether it be conditional or full), your Building Permit fees are due. The fees for the affordable / below market units will be deferred until a later time (see Step 6).

After Building Permit submission, the City calculates charges (DCs, CIL of Parkland, and CBCs). The City will cross reference your CIP application form against your building permit and identify which units are eligible for (a) statutory exemptions from charges, and (b) other incentives through this CIP program.

Step 5 – Legal Agreement Execution

You will need to execute one or more legal agreements with the City to secure your incentives (exemptions and grants). An owner’s legal obligations under such agreements typically include:

- The affordable / below-market units must be maintained at or below the maximum rent thresholds for a period of 25 years. The legal agreement(s) will be registered on title and will bind future owners if the property is sold prior to the expiry of the 25-year term.
- In the event of failure to maintain the terms of the agreement, the owner must repay the applicable growth charges related to the affordable / below-market units.
- A restrictive covenant would be registered on title under section 118 of the *Land titles Act* requiring the City’s consent for selling the land. The City will give consent provided the restriction is maintained on title to ensure the subsequent owner would agree to continue to participate in the program.
- The owner must file an annual sworn declaration to attest to compliance with the program.

Step 6 – Building Permit Issuance

All applicable charges (less any incentives captured in the legal agreement(s)) are due prior to Building Permit Issuance. Therefore, the final invoice will reflect all financial incentives, with the exemption of the Capital Grant (see Step 7).

Step 7 – Capital Grant Issuance

The Capital Grant will issued by cheque and sent in the mail no later than one month after first building permit issuance.

See Figure 1 for a visual description of the funding application process.

Figure 1:

Application Process: Affordable Rental Apartment Incentives (Multi-Residential)

