

## Application Guide

### Gentle Density Incentive Program

### Affordable Rental Housing Community Improvement Plan (2024)

## Background

On July 31, 2024, Mississauga City Council (Council) passed By-law O144-2024, adopting a Community Improvement Plan (CIP) for affordable rental housing in Mississauga. The Affordable Rental Housing CIP is a citywide project intended to increase affordable rental housing in Mississauga.

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 neighbourhoods.

To learn more about the Affordable Rental Housing CIP visit the project webpage at <https://www.mississauga.ca/projects-and-strategies/city-projects/affordable-rental-housing-community-improvement-plan/>

## Purpose of this Application Guide

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

For more information about the Gentle Density Incentive Program, visit <https://www.mississauga.ca/services-and-programs/building-and-renovating/building-more-units-on-your-property/additional-residential-units/>

## Available Incentives

The Gentle Density Incentive Program is focused on bringing more housing choices to Mississauga's neighbourhoods by offsetting the cost of development fees for the creation of second, third, and fourth units.

There are two types of incentives available depending on the type of unit you are constructing: Building Permit Fee Rebate and Municipal Charges Grant.

## Building Permit Fee Rebate

Building permit fees will be rebated for those building, or legalizing, two, three, and/or four additional residential units (ARUs).

## Municipal Charges Grant

Fourth units, including fourplexes, are subject to City Development Charges and Cash-in-Lieu of Parkland. Through the Gentle Density Incentive Program, the City will provide applicants with a grant for City Development Charges and Cash-in-Lieu of Parkland, provided the unit is maintained as a rental unit for 25 years. Region of Peel, GO Transit, and School Board Development Charges are still applicable.

If you are creating a fourth unit and would like to receive funding through the Municipal Charges Grant, you will be required to enter a legal agreement with the City. You will need to execute a legal agreement with the City to secure your incentives. An owner's legal obligations under such an agreement typically include:

- The owner must maintain one of the four units as a rented residential dwelling for 25 years from the first day the unit is occupied. The legal agreement will be registered on title and will bind future owners if the property is sold prior to the expiry of the 25-year term.
- 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.
- In the event of failure to maintain the unit as a rental unit, the owner must repay the applicable growth charges related to the fourth units.

## Eligibility

Eligible projects include attached ARUs, such as a basement apartment, garage conversion, second floor conversion, or rear or side yard additions to accommodate new units. A new build fourplex would also be eligible.

Only Building Permits issued after July 31, 2024, are eligible, as this is the date of the CIP By-law passing by Council. Unfortunately, there are no retroactive policy provisions in the By-law.

For the creation of a fourth unit, applicants must meet the general eligibility criteria outlined in this Application Guide and re-stated below:

- The unit must remain rental tenure for at least 25 years;
- The fourth unit must not be converted to a condominium for a minimum 25-year period; and
- The applicant will be required to enter into an agreement with the City to commit to the rental tenure period and conversion restrictions.

## How To Apply

To apply for the Gentle Density Incentive Program, submit your completed Application Form by email to [housingincentives@mississauga.ca](mailto:housingincentives@mississauga.ca). There is no fee to apply. City staff will confirm receipt of your Application Form and the next steps in the application process, which are generally described below.

### Step 1 – Application Submission

Applicants are encouraged to apply to the Gentle Density Program following submission of a Building Permit application. After you apply for Building Permit, submit your completed Gentle Density Incentive Program Application Form to [housingincentives@mississauga.ca](mailto:housingincentives@mississauga.ca).

### Step 2 – Evaluation of Applications

The City will cross reference your Gentle Density Incentive Program Application Form against your Building Permit and identify which units are eligible for the Gentle Density Incentive Program. You may be contacted by the City for additional information.

If you are applying for the creation of a second or third unit only, you will proceed to Step 4.

### Step 3 – Execution of Legal Agreement (Fourth Unit Only)

If you are creating a fourth unit, the City will provide a grant for City Development Charges and Cash-in-Lieu of Parkland. You will still be required to pay Region of Peel, GO Transit, and School Board Development Charges.

After evaluation of your Building Permit and Gentle Density Incentive Program applications, the City will contact you to notify you of charges owing. At this time, you will need to sign and submit a legal agreement with the City to secure your incentives. This will also require you to register your property on title and submit a copy of your registration to the City.

### Step 4 – Building Permit Issuance

All applicable charges are due prior to Building Permit Issuance. Once your Building Permit is issued, you must notify the City with your Building Permit number and date of issuance at [housingincentives@mississauga.ca](mailto:housingincentives@mississauga.ca) to receive the rebate for your Building Permit.

### Step 5 – Building Permit Fee Rebate

The Building Permit Fee Rebate will be issued by cheque no later than one month after first building permit issuance.