

City of Mississauga's Comments to Province re. ERO Posting 019-7669

Definition and Methodology

- The City is generally supportive of the proposed definition of affordable housing as it contemplates both household income and market rates, as opposed to market values only. This approach will ensure that moderate income households can afford the affordable units. However, further information is required to fully understand the impact of the existing definition introduced through Bill 23 vs. the proposed definition under consideration.
 - *What data sources will be used to determine average market price / rent?*
 - Should outliers be included in average? City staff suggest a median value that removes outlier values may be preferable.
 - What will the market area be? Staff suggest city-wide data for Mississauga would provide a large enough sample size and would be appropriate for our municipality.
 - Should a multi year rolling average be used? City staff suggest yes.
 - *What methodology and data sources will be used to determine household income?*
 - What is the indexing rate for household income? Municipalities typically use Census income decile data and have historically indexed it to the current year based on CPI. However, with CPI increasing much faster than incomes in recent years other Statscan annual Labour Force Survey wage data be provide a better indexing rate more reflective of actual income growth.
 - *Will the thresholds vary by amount of bedrooms or unit size?* City staff suggest it is very important that different rates be established for apartment condominiums based on number of bedrooms or unit size. If this this not done, the unintended consequence may be to exclusively encourage bachelor and/or small units less suitable for families.
 - *What down payment percentage, interest rate, property tax and utility (condo fee) assumptions are to be used for the income based threshold?* It may be better to let municipalities establish these assumptions.
- For the affordable ownership definition, staff suggest the Province consider adopting the proposed definition that incorporates the income-based metric, with the exception that the "80% of average price" market metric is used instead of the 90% as proposed.

Administration

- Will municipalities be given the opportunity to provide input on the standard form of agreement that the Province may issue for the purposes of administering the fee relief to affordable units?
- Will a similar agreement be required for developers receiving relief for Community Benefits Charges and Parkland Cash-in-lieu fees under the *Planning Act*?
- At the point of permit issuance, when the DC exemption is given, how can the City ensure/check which unit will be given the DC exemption?
- How does the Province propose to prevent flipping of the unit? How does the agreement ensure cost savings get passed onto the home buyer? How does the agreement ensure the unit remains affordable for a 25 years?
- Will the Province consider a rebate program to the homebuyer, instead of the current upfront exemption approach? In this scenario, the developer would pay the development-related fees in full, and once the unit is occupied by the homebuyer, they would apply for a rebate on the fees. This way, municipalities can check the household income levels the price paid for that particular unit, and ensure savings would be passed directly to the home purchaser.
- The requirement to provide fee relief, in conjunction with various other changes to development-related fee legislation will impact City revenues. Will municipalities be made whole?

Other

- The “attainable housing unit” definition was introduced through Bill 23. What types of development will fall under this category? Will additional exemptions or discounts be applied to these units?
- Does the proposed definition of “affordable residential unit” impact inclusionary zoning units? Staff recommend the Province does not change the definition of affordable housing for the purpose of units secured through inclusionary zoning by-laws. Currently, the City of Mississauga’s IZ by-law utilizes the existing PPS, 2020 definition to define affordability.
- Can the Province confirm if development-related fee exemptions are in effect for IZ units?