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PDC JUNE 13 2011

DATE: May 24, 2011

TO: Chair and Members of Planning and Development Committee
Meeting Date: June 13, 2011

FROM: Edward R. Sajecki
Commissioner of Planning and Building

SUBJECT: **Housing Choices: Summary of Housing Needs**

RECOMMENDATION: That the report titled "*Housing Choices: Summary of Housing Needs*" dated June 13, 2011, from the Commissioner of Planning and Building, be received.

BACKGROUND: Mississauga has long recognized housing as a critical component of liveable communities and has strived to ensure housing choice. Despite this, housing affordability was identified as an issue through the development of the City's new Strategic Plan particularly among youth, older adults and newcomers to Canada and, as a result, is included in the City's strategic goals.

Recent Provincial initiatives have also addressed housing issues. The Province of Ontario's *Places to Grow: Growth Plan for the Greater Golden Horseshoe, 2006 (Growth Plan)* required upper and single tier municipalities to develop a housing strategy to meet residents' housing needs. In November 2010, the Province released *Building Foundations: Building Futures, Ontario's Long-Term Affordable Housing Strategy (LTAHS)* requiring housing and homelessness plans.

In response to Provincial direction, the Region of Peel prepared a *Housing Strategy* as part of its conformity exercise. The review for

this strategy included extensive research of housing issues in Peel. It provides a high-level overview of housing issues; however, it does not provide a detailed examination of housing needs at the local level.

In the coming years, Mississauga will need to address the increasing challenges related to availability of affordable housing. Senior levels of government pulled back funding of social housing a number of years ago. This has combined with changing demographic characteristics to result in a growing demand for affordable housing choices. The Region of Peel has the longest waiting list for social housing in the Province.

Housing Choices: Mississauga's Affordable Housing Strategy and Action Plan (Housing Choices) will include "Made-in-Mississauga" solutions to address this challenge. In addition to a policy framework, it will contain implementation strategies that meet the needs of all City residents and provide choice in the future.

Housing Choices will be prepared and implemented in phases to allow consideration and review of the individual components. The phases proposed are as follows:

- *Housing Choices: Summary of Housing Needs* – identifies local housing needs in the City;
- *Housing Choices: Vision and Framework* – outlines the Vision for the project and framework under which it has been conducted;
- *Housing Choices: Secondary Units* – provides an implementation strategy for secondary units;
- *Housing Choices: Rental Housing Protection* – examines this critical component of the housing stock and outlines strategies to maintain it in the future;
- *Housing Choices: Policy Conformity* – establishes housing targets and addresses any other policy items that are required for conformity requirements to the Provincial and Regional policy framework; and,
- *Housing Choices: Incentives and Implementation* – explores incentives which could be used to realize the City's housing needs.

Housing Choices is being undertaken with the advice of a Technical Committee and SHS Consulting has been retained to address specific components of this work.

The purpose of this report is to provide a summary of Mississauga's housing needs. This assessment was required as a first step in the development of an affordable housing strategy. A comprehensive review of the different segments of the City's population, the barriers to the creation of affordable housing, suggested issues to be addressed, as well as housing targets, have been developed by SHS Consulting. The full report *Housing Choices: Summary of Housing Needs* is attached as Appendix 1.

COMMENTS:

Housing Choices: Summary of Housing Needs

The report assesses the deficiencies in housing choices available to many segments of Mississauga's population by examining the following:

1. Resident Characteristics;
2. Housing Needs;
3. Barriers to the Creation and Retention of Affordable Housing;
4. Housing Targets; and,
5. Key Areas of Focus and Intervention.

1. **Resident Characteristics** - The principal characteristics driving housing needs include:

- **Growth** – an increase to approximately 274,000 households by 2031 (an increase in nearly 60,000 households);
- **Older Adults** - more older adults, aging in the community (the Older Adult Plan states that by 2031 over one-third of the population will be 55 years and older);
- **Recent Immigrants** - 1 in 10 Mississauga residents are recent immigrants;
- **Smaller Households** - changing household composition has led to more single and non-family households (41% of households currently have one or two people);

- **Lone-Parent Families** - lone-parent families are on the rise (increased to 10.5% in 2006 from 9.7% in 1996);
 - **Low Incomes** - 1 in 7 Mississauga residents have low incomes.¹ Visible minorities, persons with disabilities, female-led households, seniors, lone-parents, immigrants and youth-led households have lower incomes on average than the general population; and,
 - **Affordability** - Almost one in three households in Mississauga are experiencing affordability issues. Housing affordability is an issue for youth-led (60.6%) and recent immigrant (53.4%) households, followed by lone parents (42%) and visible minorities (38.8%).
2. **Housing Needs** - Mississauga has the following critical needs regarding its housing supply:
- higher density housing forms;
 - affordable rental housing;
 - emergency shelters; transitional housing and supportive housing.
3. **Barriers to the Creation and Retention of Affordable Housing** – Local developers and builders identified four key barriers to the creation of affordable housing:
- high residential development costs;
 - municipal fees and charges and taxation practices;
 - limited supply of land; and
 - municipal processes including policies, zoning regulations and approvals.
4. **Housing Targets** – Proposed housing targets, summarized in Table 1, are based on the income profile of Mississauga residents and market values for ownership and rental housing. Achieving these targets addresses current needs but would not address potential future needs.

¹ Low income thresholds are defined by Statistics Canada and vary by community and family size. In Mississauga the low income cut-off ranges are \$17,000 for one person families to \$47,000 for seven or more person families.

Table 1 Housing Needs/Targets* City of Mississauga					
	Social Housing	Affordable Rental	Market Rental	Affordable Ownership	Market Ownership
Income (000s)	< \$37	\$37 - \$41	\$41-\$95	\$41-\$95	> \$95
Purchase Price (000s)	< \$132	\$132-\$153	\$153- \$354	\$153- \$354	> \$354
% of Units	18%	3%	3%	35%	41%
# of Units	432	72	72	840	984

*based on October 2009 Rents/ June 2010 Purchase Price
Source: SHS Consulting. Housing Needs. November 2010.

5. **Key Areas of Intervention for the City** – The critical areas for City intervention in affordable housing are the supply issues for affordable rental and social housing. The report concluded that the market is doing reasonably well in the provision of ownership housing, including affordable ownership units. The City should focus its efforts on protecting existing rental and encouraging new rental stock. In addition, the City should also partner with the Region to find innovative ways to meet these housing needs, as it is the Regional mandate to provide social housing.

STRATEGIC PLAN: The Strategic Plan identifies the need for affordability and choice in the City's housing in two of the strategic goals (Ensure Affordability and Accessibility; and Support Aging in Place) under the Belong: Ensuring Youth, Older Adults and Immigrants Thrive strategic pillar.

FINANCIAL IMPACT: Not applicable.

CONCLUSION:

Housing Choices: Summary of Housing Needs provides a comprehensive assessment of the City's housing needs. It will be used to develop the remaining components of *Housing Choices: Mississauga's Affordable Housing Strategy and Action Plan*. As a result of the findings in this study Mississauga will concentrate on the supply issues around affordable rental housing and social housing.

ATTACHMENTS:

APPENDIX 1: *Housing Choices: Summary of Housing Needs*

Edward R. Sajecki
Commissioner of Planning and Building

Prepared By: Emily Irvine, Planner



CITY OF MISSISSAUGA

Housing Choices

SUMMARY OF HOUSING NEEDS



APRIL 2011

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IMPORTANCE OF HOUSING CHOICES IN MISSISSAUGA

“Our Future Mississauga is a city where people can spend their entire lives”. This is one of the strategic directions of the City of Mississauga’s Strategic Plan. Among the strategic goals of the plan are “providing a range of affordable and accessible housing, transit and service options”, and “providing alternative housing types, designs and tenures in each neighbourhood”. These goals and directions are all about choices, ensuring that a broad range of housing choices are available to each segment of the housing market - choices in type of housing, tenure, and choices that are affordable. Currently, adequate housing choices are not available to many of Mississauga’s households, particularly those living or working in Mississauga with low and moderate incomes.

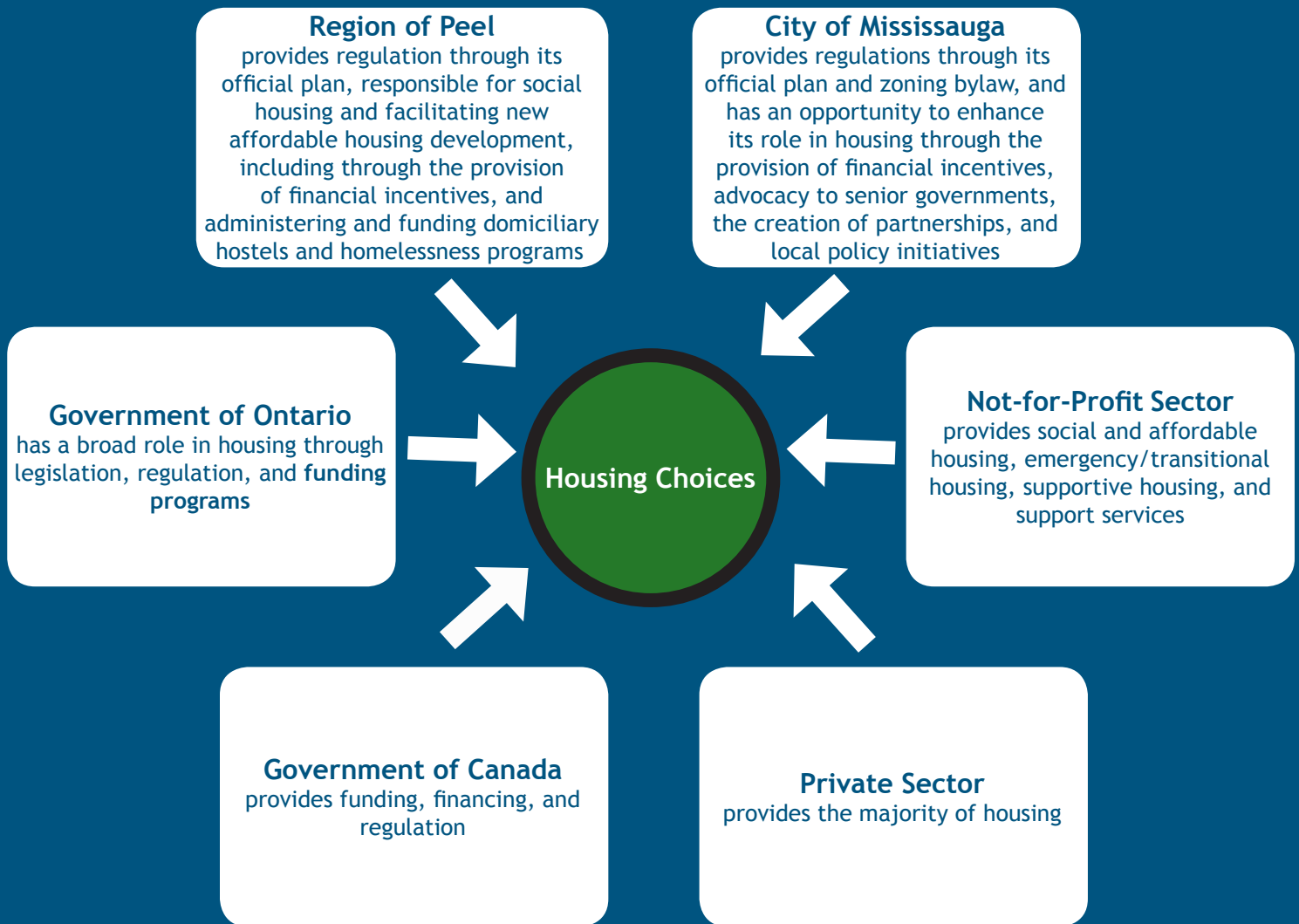


To address this issue, the City of Mississauga identified the need to prepare an affordable housing strategy and action plan - Housing Choices. The affordable housing strategy and action plan will also conform with the new Regional housing policies, Provincial government initiatives such as the Growth Plan and address Building Foundations: Building Futures, Ontario’s Long-Term Affordable Housing Strategy, in addition to creating housing choices for residents.

This document provides a summary of the deficiencies in housing choices available to many segments of Mississauga’s population, the barriers to the creation and retention of affordable housing in Mississauga, and the recommended actions to improve housing choices.

ROLES OF PARTNERS IN CREATING HOUSING CHOICES

Providing housing choices to meet the needs of all segments of residents cannot be the sole responsibility of one agency or body. While the City of Mississauga has a vital role, responding to the housing needs of residents and creating more choice relies on the collaboration of many stakeholders including, but not limited to the following:



WHAT IS DRIVING THE NEED FOR GREATER HOUSING CHOICES?

Housing type, tenure and design choices typically change depending on the characteristics of the household - age, household type, size, income, etc. Every resident should have suitable housing options that provide them with choice to best meet their needs.

MORE PEOPLE WILL CONTINUE TO MAKE MISSISSAUGA THEIR HOME

- Mississauga is anticipated to add over 59,110 households between 2006 and 2031 to reach a total of 274,000 households¹ (, a growth rate of 27.5%.

A GROWING SEGMENT OF OLDER ADULTS

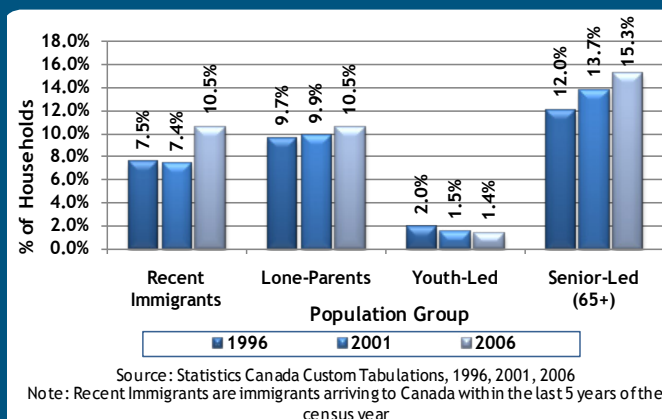
- The population of Mississauga is getting older - Persons over the age of 55 represented 14% of the population in 1991, and in 2006 represented 20%. In fact, older adults account for a larger proportion of Mississauga's population than elsewhere in Peel Region.
- Housing choices will become increasingly important for the older adult segment of the population as the population ages. In many cases it may not be an issue of affordability, but rather one of having choices that allow older adults to remain in their community and to age with dignity and retain quality of life (e.g. household maintenance issues such as not having to rely on children or neighbours to clear their snow, accessibility to services, not becoming shut-ins and having opportunities for social interaction).

A GROWING NUMBER OF RECENT IMMIGRANTS

- 1 in every 10 Mississauga residents is a recent immigrant, a larger proportion than elsewhere in Peel Region. This group contributed almost half (47.6%) of the people who moved into Mississauga between 2001 and 2006.

¹ City of Mississauga, Mississauga Growth Forecast, Housing 2008-2031, July 2010

Trends in Recent Immigrant-led, Lone-parent-led, Youth-led, and Senior-led households as a Percentage of Total Households, City of Mississauga, 1996-2006



- Recent immigrants are more likely to have lower incomes than the general population, so affordable housing options are fundamental for this group. Recent immigrant households are among those requiring units suitable for larger and multi-family households.

HOUSEHOLD COMPOSITION IS CHANGING

- More people are living alone than ever before, and a larger proportion of Mississauga's households are single person households (16.3%) than Peel as a whole (14.6%). This trend is likely to continue with the aging population. With 41% of households having only one or two members, smaller housing sizes are important options moving forward.
- Larger households in Mississauga, unlike many other municipalities in Ontario, continue to be a significant proportion of total households. This

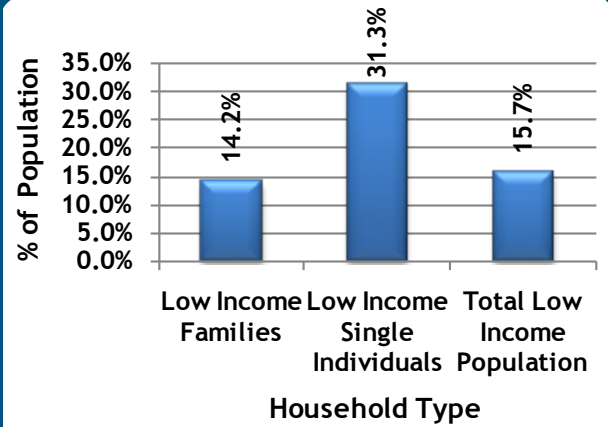
trend, which is likely somewhat driven by immigrants and multi-family households, has resulted in a demand for larger units (i.e. 3 plus bedrooms).

- Lone-parent families are on the rise - representing 10.5% of households in 2006 an increase from 9.7% in 1996.
- The multi-family household segment of Mississauga's households are generating a rising need for a range of housing types with designs suitable for multi-family households, including larger units. Although the multi-family household segment in Mississauga is growing, it represents a smaller proportion of Mississauga's households (5.1%) than for Peel as a whole (6.4%).
- Single person households and households with non-related persons are more common in Mississauga (18.8%) than Peel Region as a whole (17.0%).
- These changing household compositions point to the need for a broad range of housing choices.

RESIDENTS HAVE A WIDE RANGE OF INCOMES

- 1 in 7 of Mississauga's residents have low incomes. The proportion of the population with low incomes in Mississauga (15.7%) is higher than both Brampton (13.9%) and Caledon (4.4%). This should be reflected in available housing options.
- It is estimated that the bottom 10% of Mississauga households have incomes of less than \$24,686 in 2010, while the top 10% make over \$187,456.
- The average household income in Mississauga (\$88,512) closely matches that of the Region (\$87,765), while Caledon's is higher (\$113,407) and Brampton's is lower (\$83,379).
- Visible minorities, persons with disabilities, aboriginal households, female-led households, seniors, lone-parents, recent immigrants, and youth led households have lower incomes on average than Mississauga's general population.
- The wide range of incomes within Mississauga households points to the need for a wide range of rents and house prices to meet the affordability needs of all segments of the population.

Low Income Population by Household Type, City of Mississauga, 2005



Source: Statistics Canada Census 2006

WHAT MAKES MISSISSAUGA'S RESIDENTS DIFFERENT FROM OTHER PARTS OF PEEL REGION?

- More older adults
- Many more recent immigrants
- More single person and non-family households
- Higher average income than Brampton, but lower than Caledon
- Higher incidence of low incomes
- Affordability issues are more common than Caledon, but less than Brampton

HOUSING NEEDS OF MANY SEGMENTS OF THE POPULATION ARE NOT BEING MET

THERE IS A RANGE OF HOUSING OPTIONS IN MISSISSAUGA, BUT TRENDS TOWARDS HIGHER DENSITY UNITS WILL NEED TO CONTINUE TO ADDRESS CHANGING NEEDS

- 40.9% of Mississauga's households reside in single-detached houses, while 33.9% live in apartment buildings, and 25% in semi-detached and row houses.
- New housing being constructed since 2006 has shifted away from single-detached dwellings and more toward compact and multiple unit dwellings, which tend to be smaller, and often more affordable.
- This trend toward more townhouse and apartment units will need to continue into the future to help address residents' changing needs, and in particular the affordability needs in the City.

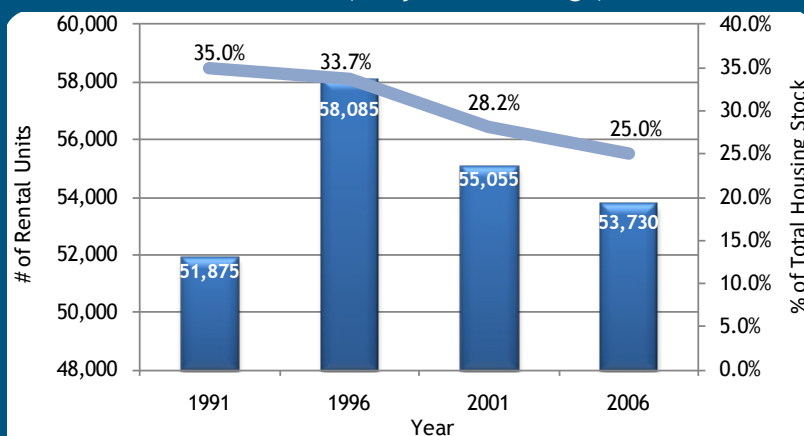
THE SUPPLY OF RENTAL HOUSING IS SHRINKING

- Rental housing as a proportion of total housing stock dropped by 10% over the 15 year period between 1996 and 2006. One of the reasons for this is the conversion of rental housing to condominiums. The City has received applications to convert 1,200 rental apartment units to condominium units since 1998.

AFFORDABILITY IS AN ISSUE FOR MANY MISSISSAUGA HOUSEHOLDS

- Almost 1 in 3 Mississauga households are experiencing affordability issues (i.e. spending 30% or more of their income on housing), including 1 in 8 households (13%) with severe affordability issues (spending more than half of their income on housing), and 1 in 14 (7%) spending 70% or more.
- Of those spending 70% or more of their income on housing, almost all had household incomes of less than \$30,000 in 2006. Almost all of those spending between 50% and 69% had incomes of less than \$50,000. Incomes tend to range up to \$80,000 for those with moderate affordability issues, spending between 30% and 50% of their income on housing.
- Housing affordability is an issue particularly for many specific population groups in Mississauga. Highest among these is youth-led (60.6%) and recent immigrant (53.4%) households, followed by lone parents (42%) and visible minorities (38.8%).

Trends in Rental Stock, City of Mississauga, 1991-2006



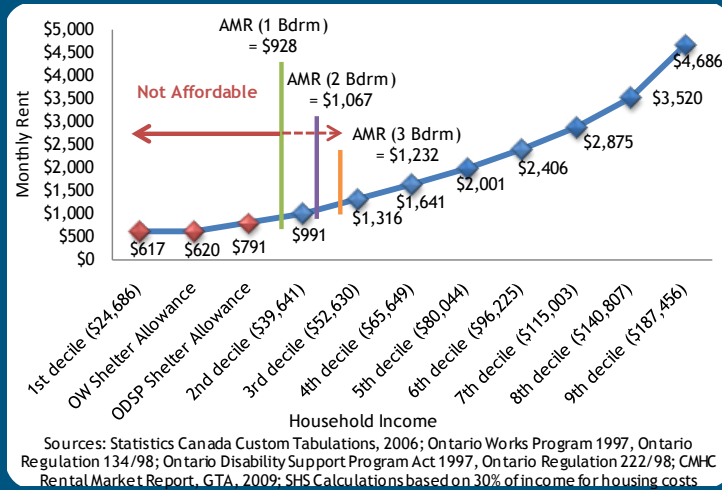
Source: Statistics Canada Census, 1991, 1996, 2001, 2006

THERE IS NOT ENOUGH AFFORDABLE RENTAL HOUSING TO MEET NEEDS

- Almost 20% of Mississauga's households cannot afford the average rent of any size unit. The shelter allowance for Ontario Works (OW) and the Ontario Disability Support Program (ODSP), the main forms of social assistance for non-senior led households, do not provide enough financial assistance for households to be able to afford housing in Mississauga.
- Average rents of all units in Mississauga were \$1,026 in 2009. This rent level is unaffordable for households with incomes lower than \$41,000² or approximately 20% of households.
- The waiting times for subsidized housing in the Region of Peel is up to 21 years.

2 Calculated at 30% of household income.

Comparison of Average Rental Housing Costs to Affordable Rental Housing Costs by Household Income Decile: Mississauga, 2010



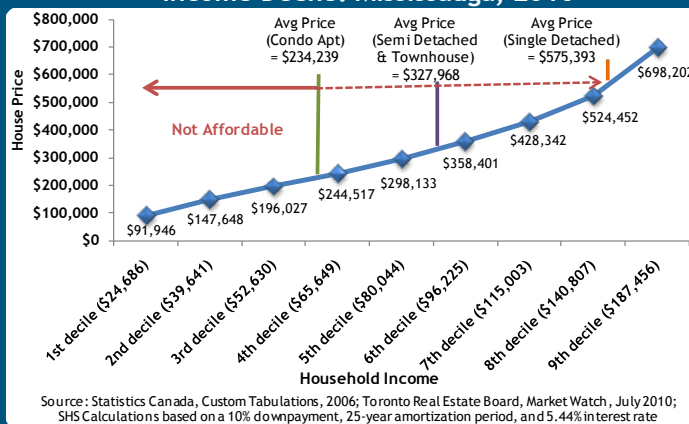
What do the income deciles in the figure refer to?

Each income decile includes 10% of households. The income noted for the first decile is the highest income reported by households in the lowest tenth of household incomes.

THERE IS A LACK OF AFFORDABLE OWNERSHIP HOUSING FOR LOW AND MODERATE INCOME HOUSEHOLDS

- Average prices of housing (all housing types) in Mississauga have risen steadily over the past few years, to stand at \$393,417 for the first half of 2010. The average price of a new single-detached house stood at \$872,649 as of June 2010. This compares to \$575,393 for resale single-detached units.

Comparison of Average Ownership Housing Costs to Affordable Ownership Housing Costs (for a homebuyer with a 10% downpayment) by Household Income Decile: Mississauga, 2010



- Ownership housing stock is out of reach for many of Mississauga's households. Less than 2% of the housing units sold between January and August 2010 were priced affordably to households in the bottom two income deciles, and only 8% was priced affordable to households between the second and third deciles, assuming a 10% downpayment, which is most applicable to first-time homebuyers. With a 10% downpayment, almost 40% of Mississauga's households cannot afford the average priced condominium apartment at \$234,239³.

THERE IS NOT ENOUGH EMERGENCY SHELTER BEDS, TRANSITIONAL HOUSING, AND SUPPORTIVE HOUSING TO MEET NEEDS

- The Peel Housing Strategy identified the need for additional emergency shelter beds and transitional housing units in Peel Region for youth and single persons.
- The Strategy discussed the need for additional housing for victims of domestic violence.
- Increasing demand and long waiting lists point to the need for additional supportive housing for persons with physical disabilities, developmental disabilities, mental illness and persons with acquired brain injury.
- The Peel Housing Strategy also noted that there are a lack of housing options for older adults who are not able to live on their own, but are not candidates for long-term care.

SOME RESIDENTS ARE FACING ADDITIONAL BARRIERS TO ACCESSING HOUSING, SUCH AS LANGUAGE ISSUES AND DISCRIMINATION

- Language barriers and discrimination are some of the barriers faced by some residents in accessing housing. These issues are of particular importance in Mississauga given the diverse population and significant proportion of recent immigrants.

EXISTING DEVELOPMENT AND LAND USE PATTERNS, INCLUDING LOW DENSITY HOUSING DEVELOPMENTS HAVE CONTRIBUTED TO THE CREATION OF COMMUNITIES THAT ARE NOT MEETING THE NEEDS OF ALL RESIDENTS

- Mississauga was largely developed during the latter decades of the 20th century. The car was fundamental to how urban environments were built during this period. Newer developments encouraging housing development in proximity to services and other amenities and a compact urban form help ensure that Mississauga's communities meet the needs of all residents.

³ Calculated based on a 25 year amortization, 5.44% interest rate, and 10% downpayment.

Further details on these characteristics, and on the housing needs that are not being met, are provided in Appendix 1

DEFINING AFFORDABLE HOUSING IN MISSISSAUGA



This study incorporates the provincial definitions for affordable housing. The Provincial Policy Statement defines affordable rental housing as the lower of the rent affordable (i.e. spending less than 30% of income on housing) to the lowest 60% of renters OR the average market rent. The latest average market rent for all units in Mississauga is \$1,026 (2009), which is lower than the rent that the lowest 60% of renters (income of \$54,216) in Mississauga can afford (\$1,355), so \$1,026 is considered the affordable rent for Mississauga for 2010.

Affordable ownership housing is defined as the lower of the purchase price that is affordable (i.e. spending less than 30% of income on housing) to the lowest 60% of households OR 10% below the average house price. The average house price in June 2010 was \$393,417 and 10% below that price is \$354,075, which is below the purchase prices affordable to the lowest 60% of households (estimated to have incomes of \$96,225) at \$358,400¹, making \$354,075 the affordable ownership housing price for Mississauga for 2010.

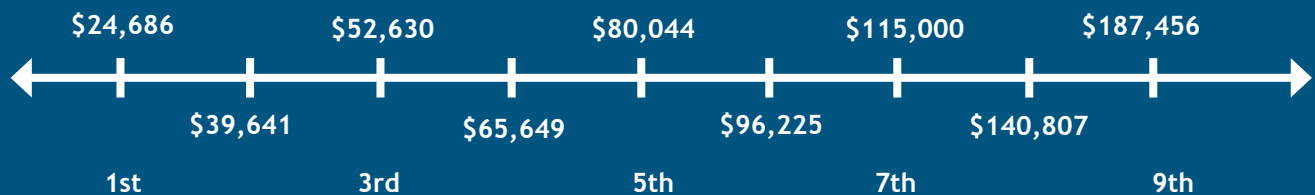
Affordable Rental Housing

Annual Income of bottom 60% of renters (A)	\$54,216
Monthly Income B = (A/12)	\$4,518
Affordable rent C = (30% of monthly income (B))	\$1,355
OR	
Average Market Rent	\$1,026
Lower of Affordable Rent of bottom 60% of renters OR Average Market Rent = Average Market Rent	\$1,026

Affordable Ownership Housing

Annual Income of bottom 60% of households (A)	\$96,225
Purchase price that is affordable to the bottom 60% of households (i.e. spending less than 30% of income on housing)	\$358,400
OR	
Average Dwelling Price (A)	\$393,417
10% Below Average Dwelling Price B = (90% of average dwelling price (A))	\$354,075
Lower of Purchase price affordable to bottom 60% of households OR 10% Below Average Dwelling Price = 10% Below Average Dwelling Price	\$354,075

Estimated 2010 Mississauga Household Income Deciles



¹ Assuming a 25 year amortization, 5.44% interest (based on 1% below the 5-year average posted rate for a 5-year term fixed mortgage (as reported by the Bank of Canada)) and 10 percent downpayment, which is most applicable to first time home buyers.

BARRIERS TO THE CREATION AND RETENTION OF AFFORDABLE HOUSING

There are a number of barriers to the creation and retention of affordable housing in Mississauga. In consultations with local builders/developers as part of the Peel Housing Strategy, local builders/developers identified four major barriers to the creation of affordable rental housing, namely:

- High cost of development
- Availability of land, including scarcity and cost
- Costs related to delays in planning and building approvals and timelines, and Ontario Municipal Board appeals
- Costs associated with zoning challenges, including community opposition (i.e. NIMBY) (Peel Housing Strategy, 2009).

HIGH RESIDENTIAL DEVELOPMENT COSTS

The key barrier to the creation of affordable housing is the high cost of development, which is dictated by the market, and leads to a lack of profitability. It has not been profitable for the private sector to build modest rental housing, given the high costs of development and the level of rents that could be charged compared to the prices the units could be sold for. Some of the cost issues include rising construction costs, more prudent lending practices increasing the difficulty and cost of obtaining construction and mortgage financing, increasing energy costs, increased awareness and demand for energy efficient features and technologies, and legislated requirements for improvements to accessibility.

MUNICIPAL FEES AND CHARGES

Although development charges and other fees are necessary tools for municipalities to offset infrastructure and development costs, they impose a significant financial burden on developers of affordable housing. In Mississauga, development charges (including those levied by the City, Region,

GO Transit and Local School Boards) range from \$14,564.59 to \$35,005.03 per unit (\$14,564.59 per unit on a 120 unit apartment building). Other fees include storm water management, building permit fees, site plan fees, and cash-in-lieu of parkland, which could be approximately \$680, \$295, and \$7,650 per unit respectively on a moderate 120 unit apartment building. As a rough estimate, together these municipal fees and charges could impact rents by between \$170 and \$325 per unit per month if all of these costs are passed on to the tenant. This burden can be alleviated by local, regional and provincial levels of government providing waivers, deferrals, and grants in-lieu of development charges and municipal fees for affordable rental housing developments.

TAXATION PRACTICES

A further impediment to affordable housing is taxes, including federal taxes such as HST, capital gains taxes, and income taxes, including designation of rental income as passive income, provisions related to Capital Cost Allowance (CCA) deductions (depreciation for tax purposes), and ability to deduct soft costs rather than capitalize them. Municipal property taxes also have an impact on costs, particularly for multiple rental housing. Multiple rental housing in most Ontario communities is taxed at a much higher rate than ownership housing and acts as a barrier to offering affordable rental housing. In Mississauga, the multi-residential property tax rate is more than 58% higher than the residential rate (total tax rate (local, regional, and education) of 1.559282% versus 0.982115% respectively). To reduce this burden municipalities can reduce the tax ratio on rental housing to be closer or equal to other residential properties (whether the tax savings are passed on to tenants depends on the conditions imposed and on the market conditions). The modeling of a hypothetical rental apartment in Brampton for the Peel Housing Strategy showed

SUMMARY OF HOUSING NEEDS

that reducing property taxes on rental properties from the multi-residential rate to the residential rate could reduce taxes by an estimated \$772 per unit per year on a rental apartment with modest rents. Assuming the savings were entirely passed on to tenants (which would depend on the conditions imposed and on market conditions), this would mean a rent reduction of \$64 per month for the tenant.

AVAILABILITY OF LAND

Availability of land, and its costs can be an issue in the development of affordable housing. Because moving forward the vast majority of new development in Mississauga will be in the existing built up area, pressures on the availability of land will likely increase. Approaches municipalities can use to increase the availability of land for affordable housing include having a policy to make surplus public lands available for use for housing and directing revenues from municipal land sales to purchase land for affordable housing.

MUNICIPAL APPROVAL PROCESS

The development sector identified that the planning approval process is lengthy, complex, and expensive. One of the reasons for the lengthy process is the needed input from a number of internal and external departments as well as the community. Though the process is important and is necessary to comply with applicable regulations and ensure the public good is achieved, the length of the process can act as a barrier to the creation of affordable housing. Opportunities for reductions to the length of time required for development approval may include fast tracking approval of priority applications for affordable housing or using performance based planning.

OFFICIAL PLAN

Although the City of Mississauga's Official Plan provides important support to the provision of housing and housing initiatives, some barriers exist in the Plan to the creation and retention of affordable housing. In particular, policies permit secondary suites in detached units, and

limit the permissions of various special needs housing types such as lodging houses (also known as rooming or boarding houses, or single room occupancies). The official plan has limited policies related to protecting existing rental housing and does not include targets for the creation of new affordable housing. It also does not contain tools that the City could use to encourage the supply of affordable housing, such as fast-tracking of the development approval process for priority projects and alternate development standards (which are flexible planning and engineering standards that provide a range of alternatives to the current standards used for the design and construction of communities). The proposed new Mississauga Official Plan was adopted in September 2010. Regional approval is pending and anticipated in Spring 2011.

ZONING BY-LAW

The zoning by-law permits forms of development and provides associated regulations and standards for various zones comprising Mississauga. These permissions, regulations, and standards can have a significant impact on the ability to develop affordable housing. Some of the barriers of the zoning by-law include restrictions put on the creation of accessory units, which creates a barrier to the creation of a diverse housing stock as these types of units are considered one strategy for meeting the affordable housing needs of low and moderate income households. The lodging unit minimum distancing by-law may act as a barrier to the creation of lodging houses in the City. Parking requirements do not allow for alternative parking provisions for affordable housing units which could help reduce the cost of developing affordable housing. Finally, waiving provisions for parking and parkland may be a way of encouraging infill development and reducing the cost of affordable housing as compared to requiring the parkland dedication or the parking to be provided, depending on the specific cash-in-lieu requirements.

CONTROL OF DEMOLITION AND CONVERSION OF RENTAL HOUSING

Demolition of older affordable housing stock or conversion of existing rental housing stock to condominiums is playing a role in reducing the availability of affordable housing in Peel. Because of the importance of the rental housing stock in providing housing for low and moderate households, some municipalities have passed demolition and conversion policies. As mentioned, the City's Official Plan does not have strong rental housing demolition and conversion controls. The City may consider enacting conversion and demolition control by-laws in order to help preserve or replace existing rental housing stock.

SENIOR GOVERNMENT POLICIES AND REGULATIONS

Provincial and federal policies and regulations can also create barriers to affordable housing development. For example, it is currently unclear under provincial legislation whether municipalities can enforce inclusionary zoning policies; such policies would require a percentage of units in all new developments to be dedicated to affordable housing. In mandatory programs (mainly in the United States, but also in some communities in British Columbia), developers are required to dedicate a certain proportion of affordable housing as a condition of development approval. In exchange, the municipality usually gives cost offsets, such as density bonusing, fee waivers, fast-tracked approvals and /or alternate development standards. Provincial Bill 58 (formerly Bill 198), an Act to amend the Planning Act with respect to inclusionary zoning, had been proposed to address this issue. The Provincial Sub-Committee on Regulations and Private Bills met during a closed session in October 2010 and decided that the sub-committee was not ready to consider Bill 58 and therefore would not bring forward any report or agenda items related to Bill 58 to the full Standing Committee on Regulations and Private. Bill 58 remains with the committee; however, the committee will not be considering/ discussing the Bill at this point. A bill such as Bill 58 empowering municipalities to enforce inclusionary zoning policies, which could assist the City in creating additional affordable housing and meeting its housing targets. The Province has released Building Foundations: Building Futures, Ontario's Long-Term Affordable Housing Strategy (LTAHS) which focuses, in large part, on changes to social/subsidized housing. The LTAHS is associated with Bill 140: Strong Communities through Affordable Housing Act which impacts several Acts including the Planning Act, repeals the Social Housing Reform Act and enacts the Housing Services Act.

FEDERAL AND PROVINCIAL FUNDING FOR AFFORDABLE HOUSING DEVELOPMENT

One of the greatest barriers to the provision of affordable housing is the decline in federal and provincial funding for social and affordable housing development. Currently, the main source of federal and provincial funds for affordable housing is the Federal/Provincial/Municipal Affordable Housing Program, also referred to as the Canada-Ontario Affordable Housing Program, which provides capital assistance for the creation of affordable housing. However, these funds are limited and are far from sufficient to meet the needs for social and affordable housing.

EDUCATION, AWARENESS, AND COMMUNITY ACCEPTANCE

Any City initiatives to improve the housing choices of Mississauga's residents will have greater acceptance if the public is fully informed about the need for such measures. Other partners in creating housing choices such as developers, real estate investors, non-profit housing organizations and senior levels of governments need to be made aware of the initiatives and encouraged to participate. Public education initiatives can help support the actions the City takes to improve housing choices.

SUMMARY OF HOUSING NEEDS

HOUSING TARGETS

Looking to the future there is a need for housing priced in all ranges. The housing targets are based on the income profile of the City's residents. Achieving these targets would address the needs of the additional households anticipated to make Mississauga their home in the future. Each year new housing construction in Mississauga should include:

- 432 Social Housing Units
- 72 Affordable Rental Units (rents between \$930 and \$1,026)
- 72 Market Rental Units (rents above \$1,026)
- 840 Affordable Ownership Units (priced between \$152,900 and \$354,100)
- 984 Market Ownership Units

- Significant capital or ongoing operating funding is required to achieve rents at these levels. As a result, it is assumed that the Regional, Provincial, and Federal governments would have primary responsibility for these units.
- Different levels of government, including the City, may intervene through policy measures to ensure these units are produced.
- The market is producing units towards the mid-to-upper end of the price/rent range of these groups. However, different levels of government, including the City, may intervene through policy measures to ensure units are produced towards the lower end of the price/rent range.
- The market is meeting this need.

Further details on the Housing Targets are provided in Appendix 2

FOCUSING EFFORTS

It is clear that there is a need for greater housing choices in the City of Mississauga, and action is needed to address the housing needs of the many segments of the population that are not currently being met. The City is doing reasonably well in addressing the needs at the ownership part of the spectrum: market ownership and market ownership. The City could focus its housing efforts on the rental, particularly affordable rental, and social housing needs.

RECOMMENDATIONS TO IMPROVE HOUSING CHOICES

It is clear that there is a need for greater housing choices in the City of Mississauga, and action is needed to address the housing needs of the many segments of the population that are not currently being met. While the City must rely, to a significant extent, on senior levels of government for funding programs and related initiatives, it can play an effective role in a variety of related areas such as local policy initiatives and providing financial incentives, advocacy/ partnerships to help improve housing choices.

Some potential priorities for action that the City can take include:

- Development of affordability targets
- Implementation strategies for secondary suites
- Policies to encourage a range of housing types, such as eliminating minimum floor area requirements and maximum number of persons residing in the unit per habitable room floor area in the zoning by-law
- Policies that permit or limit various special needs housing types
- Policies to protect existing rental housing and strategies to increase the rental supply, such as rental conversion policies
- Changes to development standards
- Financial initiatives, which may include reductions in development fees and property taxes. Other financial incentives may include the creation of community improvement plans for the purpose of creating affordable housing, or housing first policies where affordable housing development is the first priority for surplus municipal lands
- Other actions related to encouraging the supply of affordable housing, such as fast-tracking of the development approval process for priority projects, and a density bonusing provision for affordable housing
- Identification of other areas where other levels of government should provide financial assistance
- Education and awareness initiatives around creating additional housing choices

APPENDIX 1

WHAT IS DRIVING THE NEED FOR GREATER HOUSING CHOICES IN MISSISSAUGA?

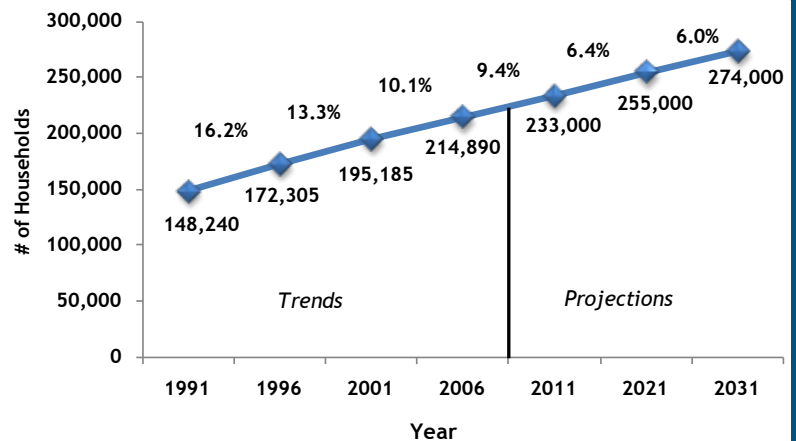
Housing type, tenure and design choices typically change depending on the characteristics of the household - age, household type, size, income, etc. Every resident should have suitable housing options that provide them with choice to best meet their needs. The following section answers the question: What is driving the need for greater housing choices in Mississauga?

Population Growth

MORE PEOPLE WILL CONTINUE TO MAKE MISSISSAUGA THEIR HOME

Mississauga has seen strong growth in its population and households over the past 15 years. It is expected to continue to grow to 2031, the time horizon that projections have been developed for. The number of households in Mississauga increased from 148,240 households in 1991 to 214,890 households in 2006. This was an increase of 45% between 1991 and 2006. The number of households in Mississauga will continue to grow to approximately 265,000 households by the year 2031 at a growth rate of 23.3%. The housing supply will need to meet the needs of the growing number of households in Mississauga.

Actual and Projected Number of Households, Mississauga, 1991-2031



Source: Statistics Canada Census, 1991-2006; City of Mississauga, Growth Forecasts Housing, Jul 2010

Age Distribution

A GROWING SEGMENT OF OLDER ADULTS

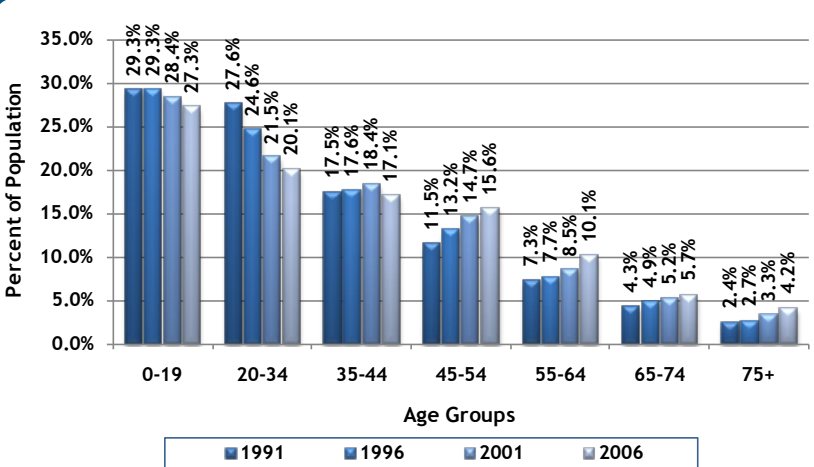
Mississauga’s population has the oldest makeup in Peel Region. Persons over the age of 55 represented 14% of the population in 1991 and increased to 20% in 2006. Meanwhile, the population under the age of 34 decreased from 56.9% in 1991 to represent 47.4% of the population in 2006. There will need to be appropriate housing stock for the aging population in Mississauga such as affordable rental housing units, supportive housing options, multiple-family dwellings, and single floor living arrangements such as those in apartments.

Household Size

MORE PEOPLE ARE LIVING ALONE THAN EVER BEFORE, THOUGH LARGER HOUSEHOLDS ARE MAINTAINING A FAIRLY CONSISTENT PROPORTION OF MISSISSAUGA’S HOUSEHOLDS

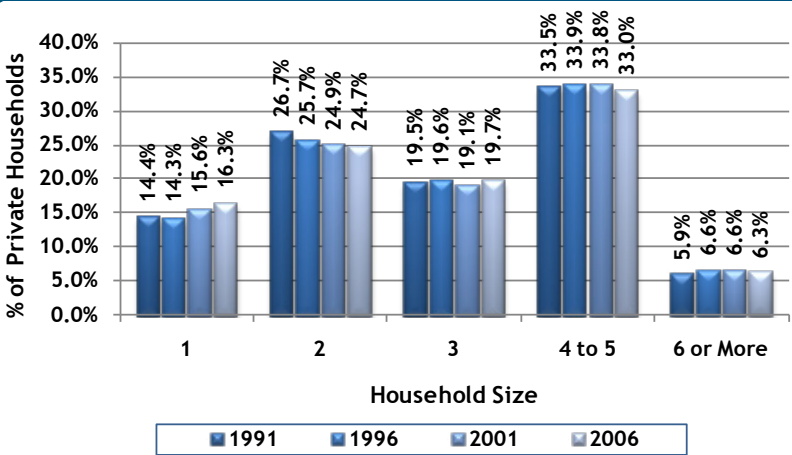
Single person households are increasing, and are more common in Mississauga (16.3%) than Peel as a whole (14.6%). Given that 41% of Mississauga’s households have only one or two members and one person households are increasing, there is a need for smaller housing units to meet the needs of these households. One of the contributing factors to the increase in smaller households is the aging population. Larger households are maintaining a fairly consistent proportion of Mississauga’s households. This trend differs from municipalities outside of Peel Region. Contributing factors include the predominance of recent immigrants in Mississauga as well as an increase in multiple-family households. Thus, Mississauga will need to continue to have a variety of housing options for the wide range of household sizes.

Trends in Age Distribution, Mississauga, 1991-2006



Source: Statistics Canada Census, 1991, 1996, 2001, and 2006

Trends in Household Size, Mississauga, 1991-2006



Source: Statistics Canada Census 1991, 1996, 2001, and 2006

Household Type

A GREATER NUMBER OF MULTI-FAMILY HOUSEHOLDS

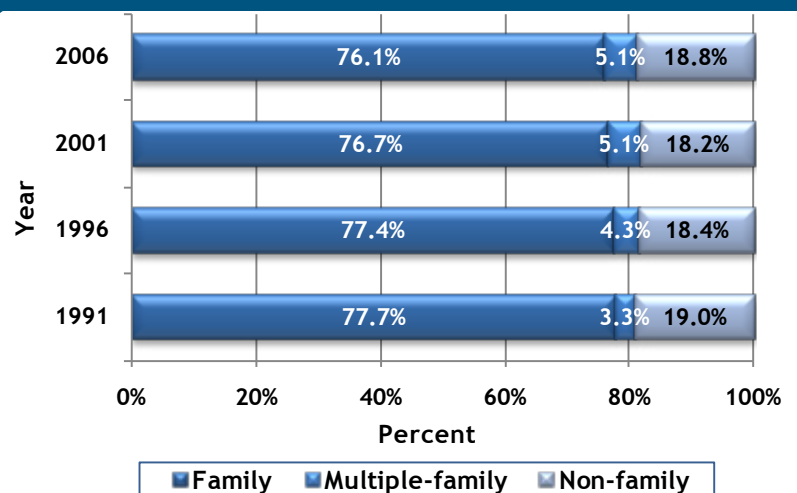
Mississauga has seen an increase in multiple-family households, increasing from 3.3% of the total households in 1991 to 5.1% in 2006. This points to a growing need for a range of housing types with designs suitable to multi-family households, including larger units. However, given the Mississauga's existing housing stock, this trend is less of a concern. Further, although the multi-family household segment in Mississauga is growing, it represents a smaller proportion of Mississauga's households (5.1%) than for Peel as a whole (6.4%). Most households in Mississauga continue to be families, though non-family households are more common in Mississauga (18.8%) than Peel Region as a whole (17.0%).

Characteristics of Household Maintainers (i.e. the individual in the household responsible for making the largest portion of the housing payments)

A GROWING NUMBER OF RECENT IMMIGRANTS NOW ACCOUNT FOR OVER 1/10TH OF MISSISSAUGA'S HOUSEHOLDS

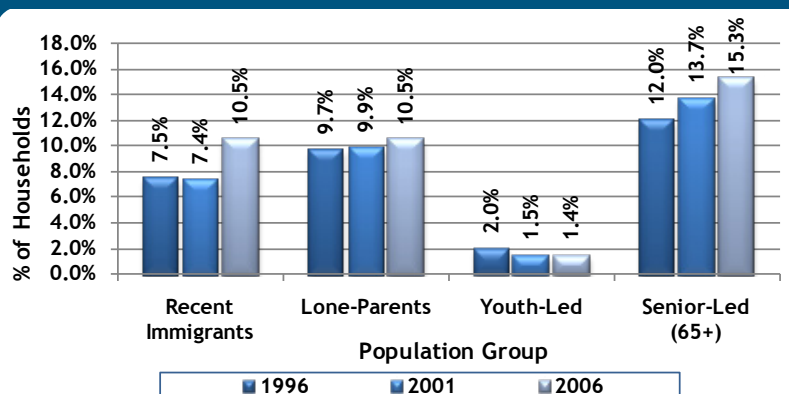
Immigration is a significant occurrence in Mississauga, with almost half (47.6%) of the people moving into Mississauga between 2001 and 2006 being recent immigrants. This is considerably higher than elsewhere in Peel Region. The percentage of households in Mississauga led by recent immigrants increased from 7.5% to 10.5% between 1996 to 2006. Suitable housing options will be required to meet their needs, including larger units. Again, given the Mississauga's existing housing stock, this trend is less of a concern.

Trends in Household Type, Mississauga, 1991-2006



Source: Statistics Canada Census 1991, 1996, 2001, and 2006

Trends in Recent Immigrant-led, Lone-parent-led, Youth-led, and Senior-led households as a Percentage of Total Households, Mississauga, 1996-2006



Source: Statistics Canada Custom Tabulations, 1996, 2001, 2006

Note: Recent Immigrants are immigrants arriving within the last 5 years of the census year

MORE LONE-PARENT FAMILIES THAN EVER BEFORE

The percentage of households led by lone-parents (9.7% in 1996, 10.5% in 2006) and seniors (12.0% in 1996, 15.3% in 2006) also increased between 1996 to 2006. Smaller housing units may be more suitable for many of the households in these groups.

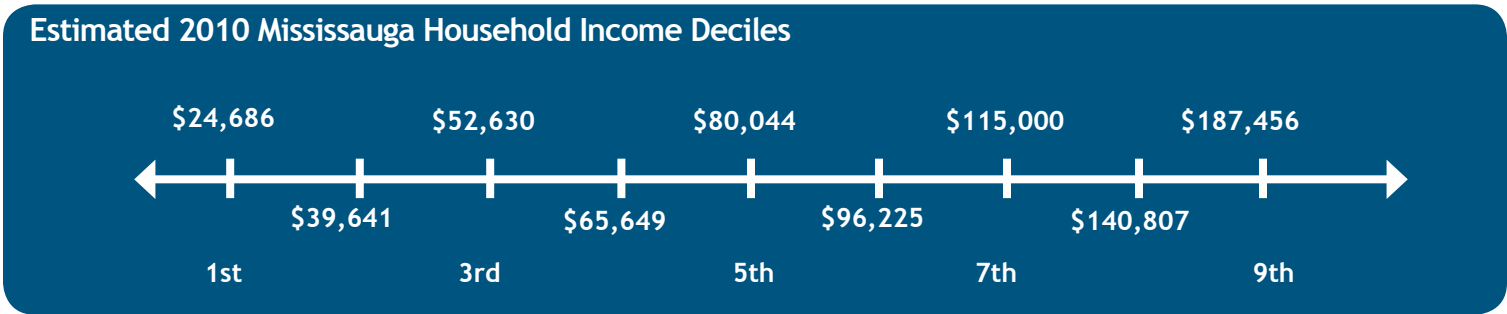
In contrast, youth-led households decreased slightly as a proportion of all households, from 2.0% of households in 1996 to 1.4% of households in 2006. Housing affordability is one of the factors that may be limiting the number of youth-led households, as with higher housing costs more youth tend to remain in their parents’ homes or share accommodation.

Household Income

The housing stock in Mississauga needs to reflect the financial capacity of its residents. The average income of Mississauga households is \$88,512, which is fairly closely representative of Peel Region as a whole (\$87,765), but is lower than Caledon (\$113,407), and higher than Brampton (\$83,379).

MISSISSAUGA HOUSEHOLDS HAVE A WIDE RANGE OF INCOMES

The incomes of Mississauga households vary widely. It is estimated that 10% of Mississauga’s households have incomes of less than \$24,686 in 2010, and another 10% have incomes between \$24,687 and \$39,641. The median, or middle, income is estimated at \$80,044. At the other end of the spectrum, the top 10% of households have incomes of greater than \$187,456.

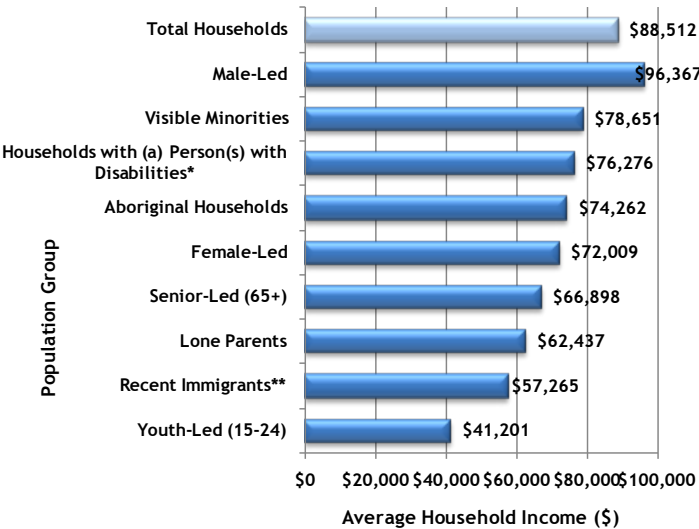


Visible minorities, persons with disabilities, aboriginal households, female-led households, seniors, lone-parents, recent immigrants, and youth led households have lower incomes on average than the general population. The average household incomes for all diverse population groups fall far below the average household income of all households in the City. Youth-led, recent immigrants, lone parents, and senior-led households have the lowest average household income relative to the other specific population groups, and are far below the household incomes of total households. Since recent immigrants, lone parents, and senior-led households are all increasing in Mississauga, it is even more important to provide affordable and diverse housing options for these households.

ONE IN SEVEN OF MISSISSAUGA’S RESIDENTS HAVE LOW INCOMES

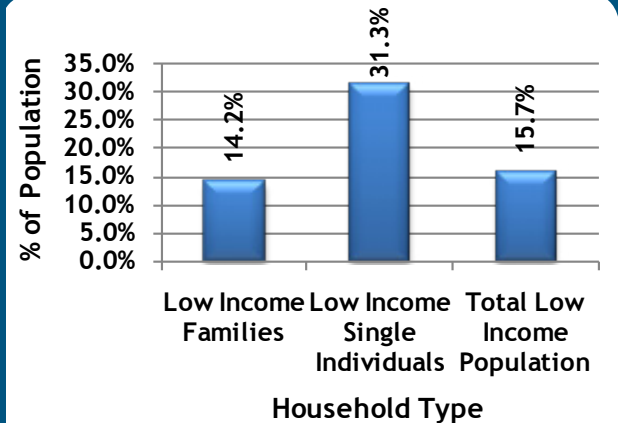
The total low income population in Mississauga was at 15.7% as of 2006, based on Statistics Canada’s Low Income Cut-off. The incidence of low income in Mississauga is higher than both Brampton (13.9%) and Caledon (4.4%). Affordable housing options are crucial for low income households. The Single individuals are more likely to have low incomes (31.3%) as compared to families (14.2%). Since single individuals are over represented among the low income population, and one person households are increasing, this suggests a need for increased affordable housing options for smaller households.

Average Household Income of All Households and Specific Population Groups, 2005



Source: Statistics Canada, Custom Tabulations, 2006
Note: *Persons with disabilities refers to difficulty hearing, seeing, communicating, walking, climbing stairs, bending, learning or doing any similar activity.
**Recent immigrants refers to immigrants that have arrived within the past 5 years before the census.

Low Income Population by Household Type, 2005



Source: Statistics Canada Census 2006

What does Statistics Canada’s Low Income Cut-off refer to?

Low income cut-offs are income thresholds determined by analyzing family expenditure data, below which families will devote a larger share of income to the necessities of food, shelter and clothing than the average family would. There are different cut-offs for different community and family sizes to reflect differences in the costs of necessities. For communities with populations between 100,000 and 499,999, such as Mississauga, the low income cut off ranged from \$17,895 for one person families to \$47,354 seven or more person families.

HOUSING NEEDS OF MANY SEGMENTS OF THE POPULATION ARE NOT BEING MET

Existing Housing Stock

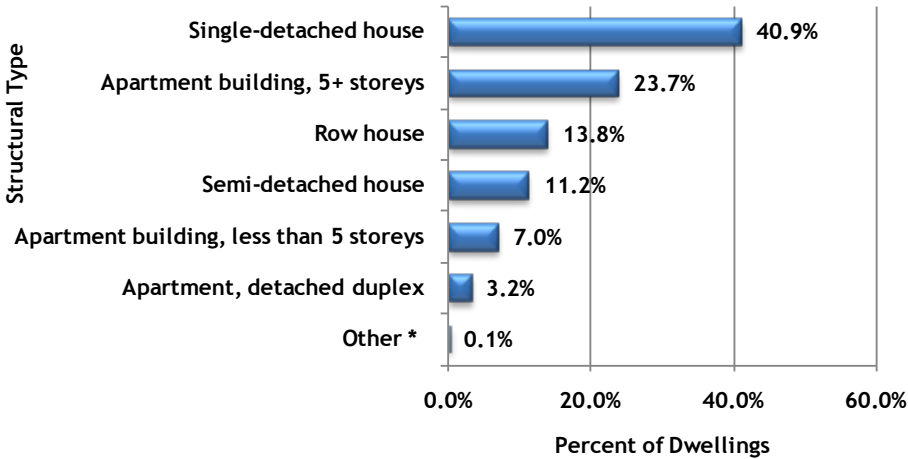
THERE IS A RANGE OF HOUSING TYPE OPTIONS IN MISSISSAUGA, BUT THE MIX MAY NEED TO CHANGE AS HOUSEHOLD COMPOSITION CHANGES

In Mississauga, 40.9% of households reside in single-detached houses. Many households also reside in high rise-apartment buildings (23.7%), while low-rise apartments, semi-detached, and row houses comprise 35.3% of household dwellings. With changing household composition, the type of dwellings may need to adjust in the future to meet changing needs.

Recent Housing Supply Activity

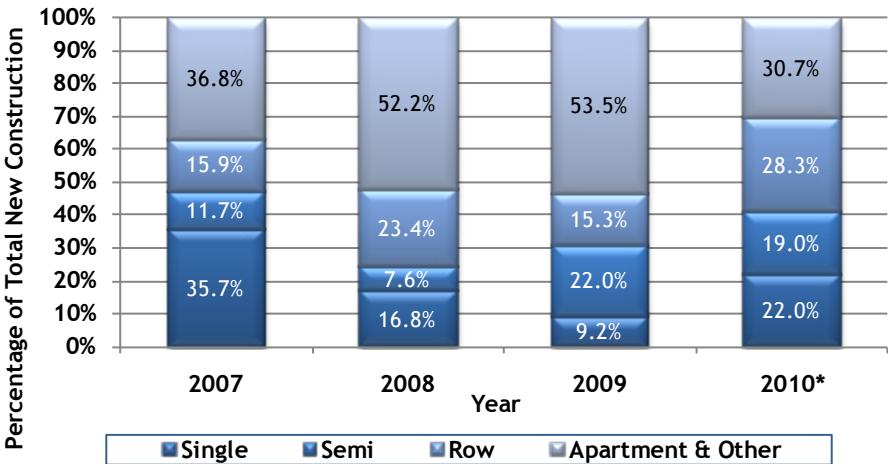
Housing completions data shows that new housing being constructed since 2006 has shifted away from single-detached dwellings and more toward compact and multiple unit dwellings, which tend to be smaller, and often more affordable. This trend toward more townhouse and apartment units will need to continue into the future to help address the changing needs, and in particular the affordability needs in the City.

Dwellings by Structure Type, Mississauga, 2006



Source: Statistics Canada Census, 2006
*Note: Other figure includes other single detached dwellings and movable dwellings

New Construction by Structural Type, Mississauga, 2007-2010



Source: CMHC Housing Now, Greater Toronto Area, July 2010, January 2007-2009; Region of Peel Planning Department
*Note: 2010 data is year to date from January - June 2010

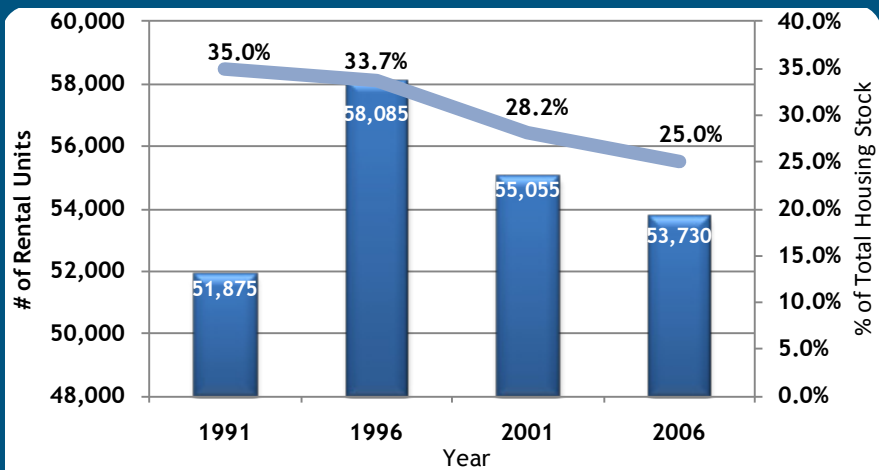
THE SUPPLY OF RENTAL HOUSING IS SHRINKING

Rental housing stock in Mississauga has steadily decreased since 1991, both in percentage and absolute terms. In 2006, 25% of the total housing stock were rental units, down from 35% in 1991. The City has received applications to convert 1,195 rental apartment units to condominium units since 1998. Rental housing can act as an affordable housing option for households that cannot afford to enter ownership. It is also likely preferable to some population groups, such as recent immigrants who are just beginning to get settled, and seniors who may transition from home ownership to rental housing. With the increase in senior-led households and one person households, the need for rental housing units in Mississauga will continue to be even more apparent.

Rental Housing Market

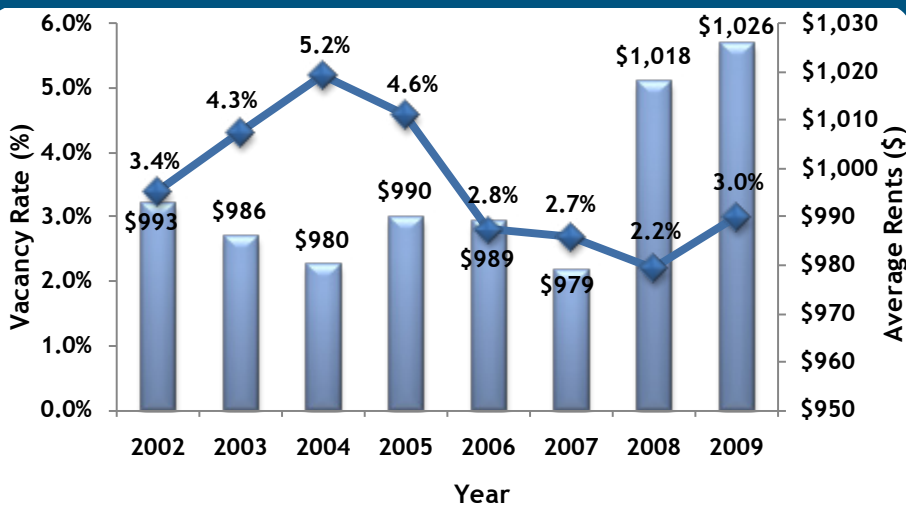
Vacancy rates and average rents in Mississauga have fluctuated significantly since 2002. Mississauga experienced high vacancy rates which resulted in lower average rents in the early part of the decade. When vacancy rates began to drop, average rent in 2008 increased substantially. As of 2009, the vacancy rate in Mississauga was at 3.0%, which is often considered to be balance market, or a level that provides fair choice to tenants and limited vacancy burden on landlords. Despite the higher vacancy rate, average rent in Mississauga reached \$1,026 in 2009. This rent level is unaffordable for households with incomes lower than \$41,000, the bottom two income deciles.

Trends in Rental Stock, Mississauga, 1991-2006



Source: Statistics Canada Census, 1991, 1996, 2001, 2006

Trends in Overall Rents and Vacancy Rates, Mississauga 2002-2009



Source: CMHC Rental Market Surveys, 2002-2009

Social Housing

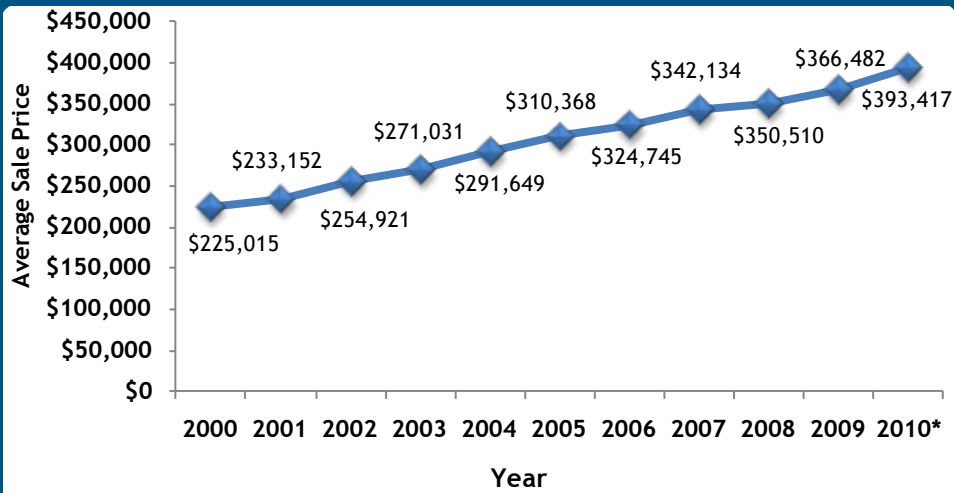
HOUSEHOLDS CAN WAIT UP TO 21 YEARS FOR SOCIAL HOUSING IN PEEL REGION

There is a long waiting list for social housing in the Region, and it is estimated that households who are currently applying for social housing may have to wait up to 21 years for housing, the longest in the province. The wait is particularly long for singles requiring one-bedroom units and families requiring three- or four-bedroom units, with average wait times of 10 to 15 years. Wait times for families requiring two-bedroom units are six to 10 years and three to seven years for seniors building units.

Ownership Housing Market

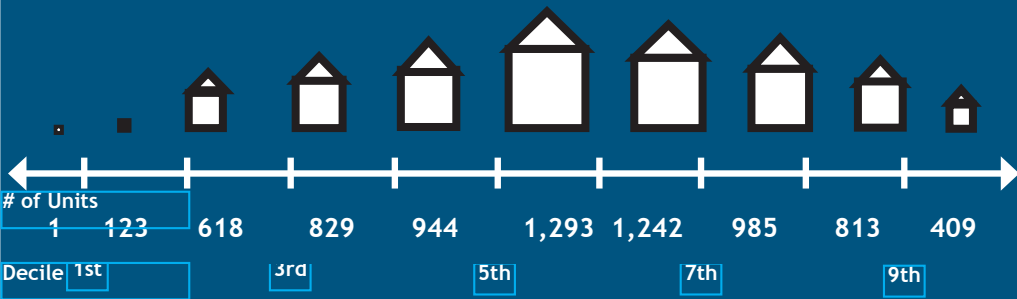
House prices in Mississauga have increased continuously since 2000, from an average price of \$225,015 in 2000 to \$393,417 in 2010, an average annual increase of 7.5%. Likewise, average prices of new single-detached units in Mississauga have risen steadily over the past few years, to stand at \$872,649 as of June 2010 (compared to \$575,393 for resale single-detached units). Mississauga has seen higher average prices in 2010 than Brampton and Caledon, though for the four preceding years, Caledon's average prices for new single detached units were above Mississauga's.

Trends in Average Sale Price of All Resale Units in Mississauga, 2000-2010



Source: Toronto Real Estate Board, Market Watch, December 2000-2009, & June 2010
*Note: 2010 data is year to date as of June 2010

Number of Sales Priced Affordably to Each Income Decile, Mississauga, January to August 5, 2010



Less than 2% of the housing units sold between January and August 2010 were priced affordably to households in the bottom 2 income deciles, and only 8% was priced affordable to households between the second and third deciles. This points to the need for more ownership units at the lower end of the spectrum.

Affordability

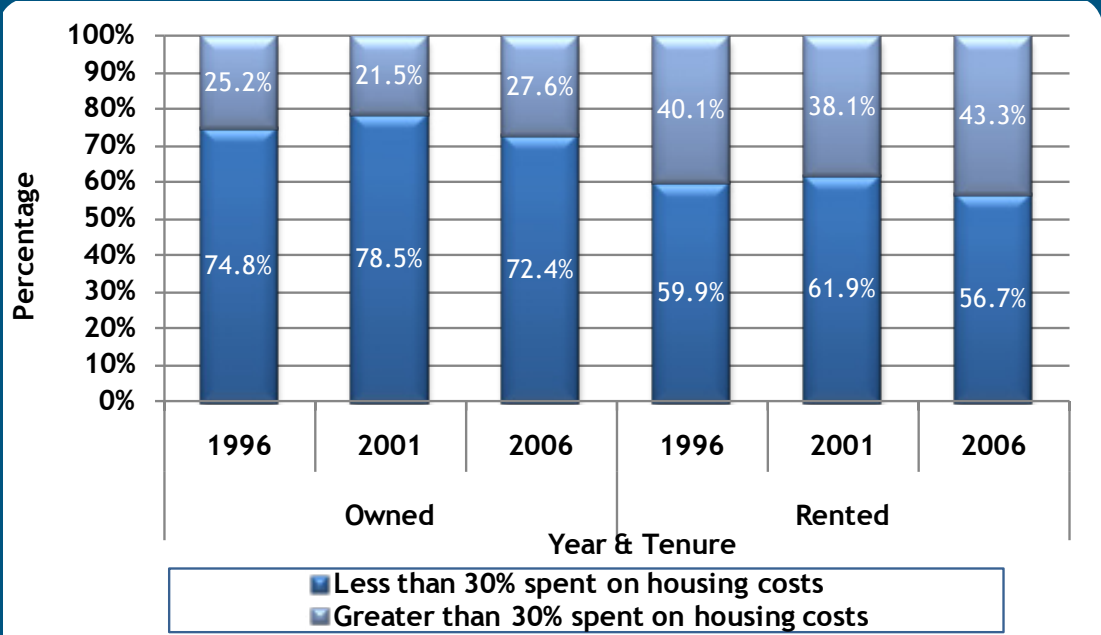
AFFORDABILITY IS AN ISSUE FOR ALMOST ONE IN THREE HOUSEHOLDS IN MISSISSAUGA

Almost one in three households in Mississauga are experiencing affordability issues (i.e. spending 30% or more of their income on housing). This includes one in eight households (13%) with severe affordability issues (spending more than half of their income on housing), and one in 14 (7%) spending 70% or more of their income on housing.

Of those spending 70% or more of their income on housing, almost all had household incomes of less than \$30,000 in 2006. Almost all of those spending between 50% and 69% had incomes of less than \$50,000. Incomes tend to range up to \$80,000 for those with moderate affordability issues, those spending between 30% and 50% of their income on housing.

Affordability of both rental and owner households in Mississauga deteriorated somewhat between 1996 and 2006. Over one quarter of owner households were spending 30% or more of their income on housing in 2006, up from 21.5% in 2001 and 25.2% in 1996. Affordability issues were even more pronounced among renters, with 43.3% of renters spending 30% or more of their housing on rent in 2006. This was up from 38.1% in 2001 and 40.1% in 1996.

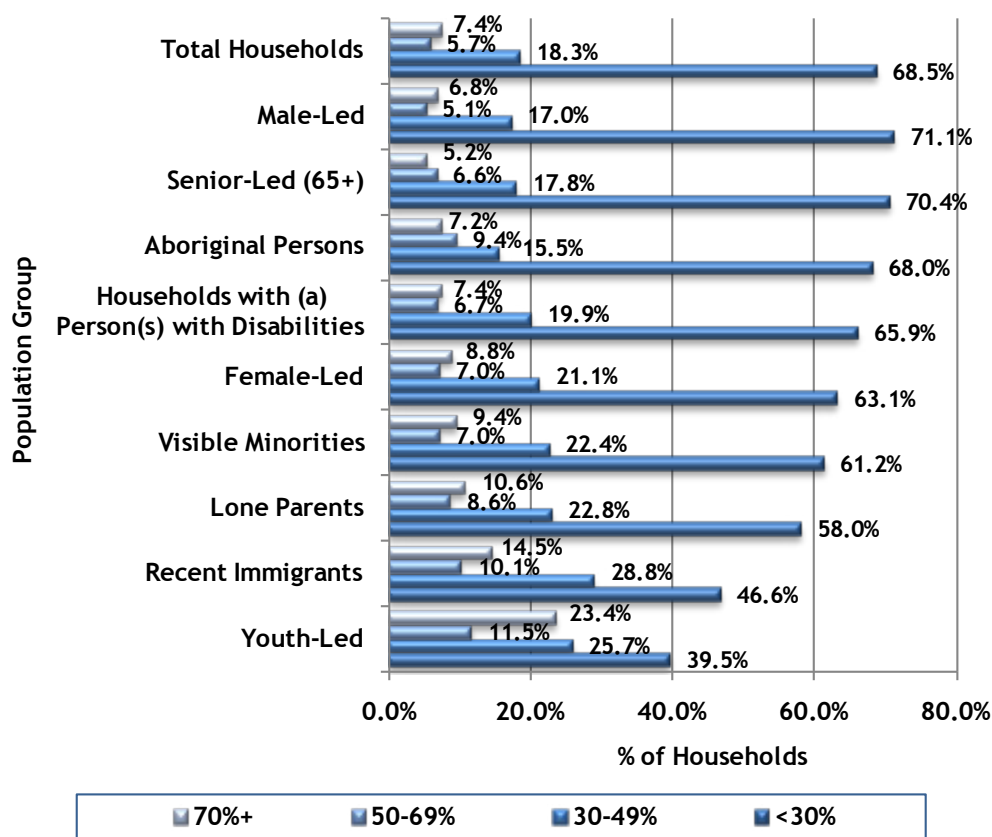
Trends in Affordability Issues (ie. Spending 30% or More on Housing) by Tenure, Mississauga, 1996-2006



Source: Statistics Canada, Custom Tabulations, 1996, 2001, 2006

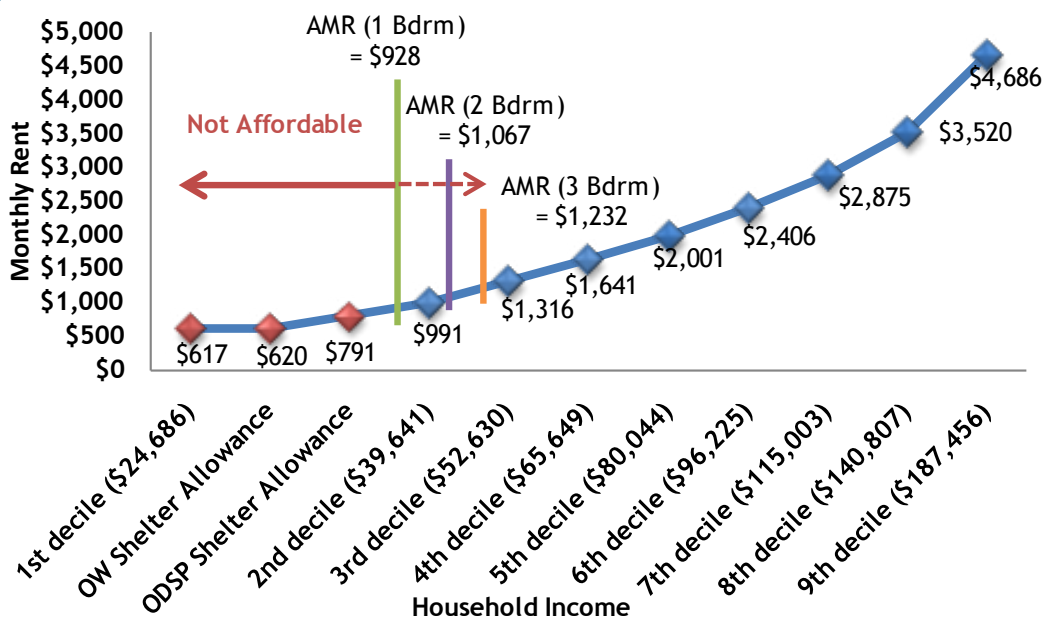
Housing affordability is an issue particularly for many specific population groups in Mississauga. A greater proportion of youth-led (60.6%) and recent immigrant (53.4%) households are spending more than 30% of their household income on housing compared to those that are spending less than 30% on housing. Lone parents (42%), visible minorities (38.8%), female-led households (36.9%), households with one or more persons with disabilities (34%), and Aboriginal persons (32.1%) all are spending proportionally more on housing than all households in Mississauga (31.4%) (see figure on the following page). Seniors, however, are spending less of their income on housing costs as compared to the total population. This is likely a result of some older adults living mortgage-free.

Proportion of Household Income Spent on Housing by Diverse Population Groups (Percentages), Mississauga, 2005



Source: Statistics Canada, Custom Tabulations, 2006

Comparison of Average Rental Housing Costs to Affordable Rental Housing Costs by Household Income Decile: Mississauga, 2010



Sources: Statistics Canada Custom Tabulations, 2006; Ontario Works Program 1997, Ontario Regulation 134/98; Ontario Disability Support Program Act 1997, Ontario Regulation 222/98; CMHC Rental Market Report, GTA, 2009; SHS Calculations based on 30% of income for housing costs

Rental Housing Affordability

ALMOST 20% OF HOUSEHOLDS CANNOT AFFORD THE AVERAGE RENT OF ANY SIZE UNIT

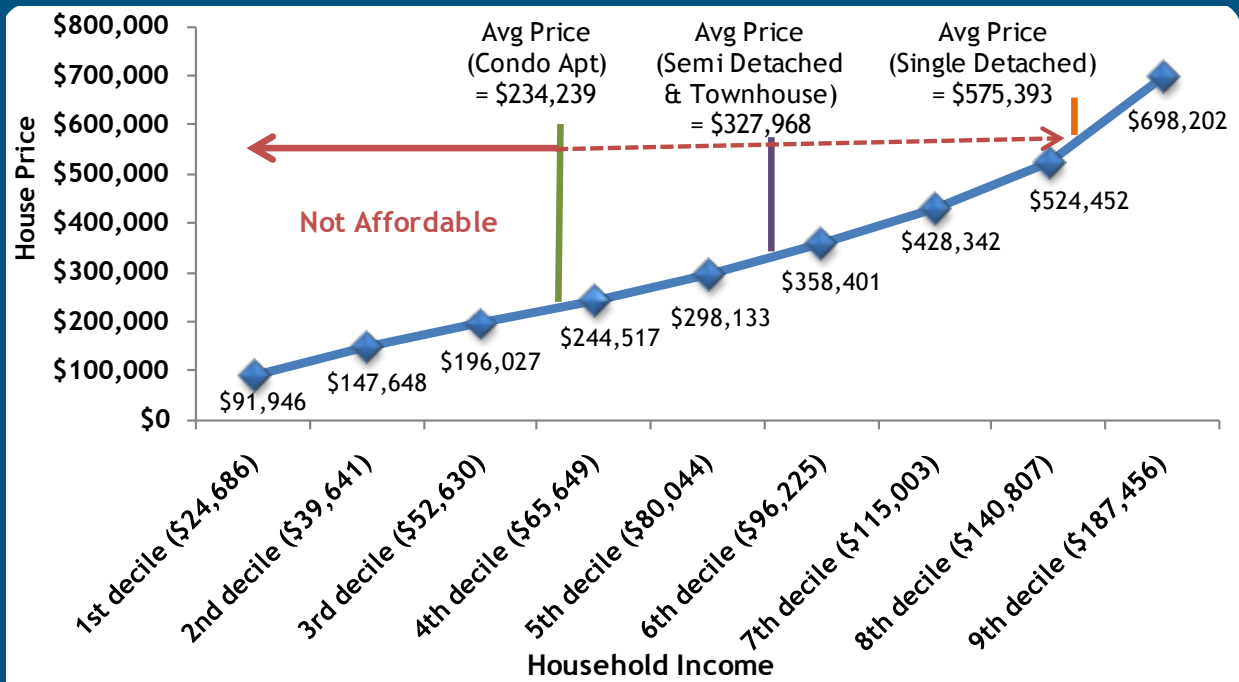
The following figure shows how rental housing costs in Mississauga are currently not affordable for many households. Ontario Works (OW) and the Ontario Disability Support Program (ODSP) shelter allowances do not provide enough financial assistance for households to be able to afford housing in Mississauga. All types of rental housing are unaffordable for households with incomes up to the second decile, estimated at \$39,641 in 2010. This group includes over half of renter households. Rental housing begins to become affordable to households between the second and third deciles. It is clear that there is an insufficient supply of affordable rental housing to meet needs.

Ownership Housing Affordability

MUCH OF THE OWNERSHIP HOUSING STOCK IS OUT OF REACH FOR ALMOST ONE THIRD OF MISSISSAUGA’S HOUSEHOLDS

Assuming a 10% downpayment, over 35% of Mississauga’s households cannot afford the average priced condominium apartment at \$234,239. The average semi-detached house and townhouse becomes affordable to households in the upper half of the income spectrum in Mississauga, while the average single-detached house is only affordable to households with incomes in the top 20%. This clearly points to a need to create a mix of housing units that is more heavily weighted towards condo apartment and townhouse units that are priced affordably to low and moderate income households.

Comparison of Average Ownership Housing Costs to Affordable Ownership Housing Costs by Household Income Decile: Mississauga, 2010



Source: Statistics Canada, Custom Tabulations, 2006; Toronto Real Estate Board, Market Watch, July 2010; SHS Calculations based on a 10% downpayment, 25-year amortization period, and 5.44% interest rate

Special Needs Housing

THERE IS NOT ENOUGH EMERGENCY SHELTER BEDS, TRANSITIONAL HOUSING, AND SUPPORTIVE HOUSING TO MEET NEEDS

The Peel Housing Strategy identified the following needs for additional emergency shelter beds, transitional housing units, and supportive housing:

- Additional emergency shelter beds and transitional housing units are needed in Peel Region for youth and single persons. Data from Peel Region shelters has shown an increase in use since 2003. There are 106 transitional housing beds/units for youth in Peel Region. Our Place Peel, a transitional housing provider for youth reported a waiting list of 92 individuals in 2007.
- There is a need for additional housing for victims of domestic violence. The demand for shelter in facilities servicing families who are victims of domestic violence often exceeds capacity. The number of individuals applying for social housing with Special Priority Status as a victim of domestic violence has increase significantly from 12% in 2003 to 30% in 2006.
- The number of persons with physical disabilities waiting for supportive housing has been increasing, with 84 persons on the waiting lists for 30 units in 2008. Wait times are between one and ten years.
- Low turnover rates in supportive housing units for persons with developmental disabilities most likely results in a long wait time for housing.
- While the supply of supportive housing for persons with mental illness has increased significantly in recent years, there is a need for additional supportive housing for persons with mental illness. There were 861 individuals on the wait list in 2008.
- The supply of supportive housing units for persons with acquired brain injury is not sufficient to meet the needs.
- There are a lack of housing options for older adults who are not able to live on their own, but are not candidates for long-term care.

Responsibility for special needs housing falls with senior levels of government. However, the City can intervene through policy measures to help ensure these needs are met (i.e. zoning, financial incentives, etc.).

What is special needs housing?

Special needs housing refers to emergency shelter beds, transitional housing units, or housing that provides some form of supports in addition to meeting affordability needs.

Conclusions

Based on the preceding information, it is clear that there is a need for an adequate, diverse, affordable housing supply for various housing types, sizes, and population groups in Mississauga. An adequate housing supply includes developing and providing enough housing to meet the needs of the growing population and number of households. A diverse housing supply would have a greater mix of housing types and a wide range of dwelling sizes to accommodate large, medium and small household sizes evident in Mississauga.

The housing supply in Mississauga needs to be affordable, as housing is currently not meeting the affordability needs of its residents. Almost one third of households are spending above their means on housing. Most sizes of rental housing are unaffordable for almost half of the renter households in Mississauga. Ownership is unaffordable for approximately one third of households in the City.

It is important for Mississauga that housing is available to meet the needs of priority populations. Various population groups often have specific needs and many have housing affordability issues. Populations such as lone parents, recent immigrants, youth, and older adults have unique housing needs that need to be taken into consideration.

APPENDIX 2

DEVELOPING THE HOUSING TARGETS

The housing targets are based on the income profile of the City’s residents. Achieving these targets would address the needs of the additional households anticipated to make Mississauga their home in the future. However, unmet affordability needs of the existing population are not addressed by these targets. The number of new units to be constructed from 2011 to 2016 are based on Mississauga’s Growth Forecast- Housing, July 2010. The categories social housing, affordable rental housing, market rental, affordable ownership, and market ownership are based on the categories used in the Peel Region Official Plan. The targets assume that the tenure split that existed in Mississauga in 2006; rental housing accounting for 25% of the total stock, is maintained for the future.

The steps to developing the housing targets were:

Step 1: Establishing the Income/Rent/Price Thresholds for Each Category

- a) Social Housing Threshold

The social housing threshold uses the same definition as used by the Region of Peel. The Region’s definition is based on the household income limit for rent-geared-to-income housing for the weighted average number of bedrooms households on the Peel social housing waiting list are waiting for. The weighted average number of bedrooms of households on the social housing waiting list is 1.2 bedrooms. The household income limit for one bedroom units is \$36,000 and for two bedroom units is \$42,000, so the household income limit for 1.2 bedrooms is \$37,200.
- b) Affordable Rental Housing Threshold

The Provincial Policy Statement defines affordable rental housing as the lower of the rent affordable (i.e. spending less than 30% of income on housing) to the lowest 60% of renters OR the average market rent. The latest average market rent for all units in Mississauga is \$1,026 (2009), which is lower than the rent that the lowest 60% of renters (income of \$54,216) in Mississauga can afford (\$1,355), so \$1,026 is considered the affordable rent for Mississauga for 2010.
- c) Affordable Ownership Housing Threshold

Affordable ownership housing is defined as the lower of the purchase price that is affordable (i.e. spending less than 30% of income on housing) to the lowest 60% of households OR 10% below the average house price. The average house price in June 2010 was \$393,417 and 10% below that price is \$354,075, which is below the purchase prices affordable to the lowest 60% of households (estimated to have incomes of \$96,225) at \$358,400, making \$354,075 the affordable ownership housing price for Mississauga for 2010.

Step 2: Establishing the Tenure of Units in Each Category

a) Social Housing Threshold

The Mississauga targets apply the Peel Official Plan assumption that all of the units developed beneath the social housing threshold will be rental because of the difficulty of achieving a purchase price beneath \$132,000.

b) Affordable Rental Housing Threshold

The Mississauga targets also apply the Peel Official Plan assumption that all of the units developed between the social housing threshold and the affordable rental housing threshold will be rental because of the difficulty of achieving a purchase price of a home beneath \$152,900.

c) Market Rental and Affordable Ownership

These categories apply to the same income ranges. The tenure is split based on the percentage market rental units required to achieve 25% of the total units as rental units after accounting for the social and affordable rental units.

c) Market Ownership

All units to be produced at levels affordable to households above the affordable ownership housing threshold are assumed to be ownership units.

Step 3: Establishing the Percentage of Units in Each Category

As mentioned above, the percentage of units in each category is based on the percentage of households with incomes in that range.

Housing Needs/Targets, City of Mississauga, (Based on Oct. 2009 Rents/June 2010 Purchase Prices)

		Social Housing	Affordable Rental	Market Rental	Affordable Ownership	Market Ownership
Income Threshold		less than \$37,200	\$37,200 - \$41,040	\$41,040- \$95,070	\$41,040- \$95,070	More than \$95,070
Rent	1 Bedroom	less than \$900	\$900 - \$926	\$1,026 - \$2,377	-	-
	2 Bedroom	less than \$1,050	\$1,050 - \$1,063			
	3 Bedroom	less than \$1,263	\$1,263 - \$1,525			
	4+ Bedroom	less than \$1,525				
	Average	less than \$930				
Purchase Price		less than \$132,000	\$132,000 - \$152,900	\$152,900 - \$354,100	\$152,900 - \$354,100	more than \$354,100
Percentage of Total Units		18%	3%	3%	35%	41%
Annual Number of New Units		432	72	72	840	984

