

# LAKEVIEW VILLAGE AFFORDABLE HOUSING



## BRIEF





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## 1.0 INTRODUCTION

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The re-visioning of the former Lakeview OPG lands was founded on creating access for people to the waterfront. As the plans for the lands have progressed through the Inspiration Lakeview Master Plan and Official Plan Amendment processes and now that of Lakeview Community Partners Limited (LCPL), this idea of access has extended to mean access for all people to enjoy quality green spaces, as well as opportunities to work, live, shop, recreate, and access institutional services. The provision of affordable housing helps to achieve this vision and is a necessary component in building a sustainable, healthy and inclusive community.

Lakeview Village has the potential to offer an exciting opportunity to diversify the housing mix of the Lakeview area, which is currently dominated by a single detached and low density built form, thereby providing options that cater to households of various housing needs and incomes. LCPL looks forward to finding appropriate opportunities to collaborate with the City of Mississauga, Region of Peel and other potential partners to deliver affordable housing options. The following memorandum provides a brief outline of the existing policy framework and local context of affordable housing in the Lakeview area, partner roles, targets and next steps for achieving an appropriate mix of affordable housing in Lakeview Village.

## 2.0 POLICY CONTEXT & PARTNER ROLES

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### Upper Tier

Provincial policies including those within the Provincial Policy Statement (2014) and the Growth Plan for the Greater Golden Horseshoe (2017) identify providing a mix of housing options including affordable housing as a planning priority and an essential component in supporting complete and sustainable communities. Responsibility for the provision of affordable housing is downloaded to upper tier or in Mississauga's case, a regional municipality such as the Region of Peel which act as a Service Provider for local municipalities. The Region of Peel has the responsibility of providing affordable housing options for those with the highest housing need. The Region of Peel Official Plan (2016) provides high-level direction for affordable housing and primarily focuses on more supportive housing needs including assisted living and subsidized housing. Further, the Peel Housing and Homelessness Plan (PHHP) (2018) provides direction for the Region and its partners for achieving outlined targets for affordable housing over the next 10 years. The Region of Peel's Official Plan notes it hopes to provide 20,000 new affordable units by 2028. Of these units, it assumes 10,000 of these units, affordable to households of moderate incomes will be provided by the private sector. Applying this number specific to Mississauga, the Region is expecting 5,200 units from the private sector. This represents the expectation for the whole City and over approximately the next 10 years.

### Lower Tier

The City of Mississauga's Official Plan (MOP) provides a more localized land use and built form direction for housing across the City. The MOP acknowledges that the history of residential development in Mississauga has favoured low density homes geared towards families with children. As Mississauga seeks to attract and support more diverse groups including young adults, older adults and immigrants, the diverse housing needs of these groups need to be reflected in the provision of housing. The housing policies of the MOP emphasize the importance of creating diverse housing choices in terms of tenure, unit type and price which all contribute to housing affordability. Major Nodes, such as the Lakeview Waterfront Character Area, are identified as ideal locations for accommodating intensification and accommodating new housing supply. Located in proximity to low-density neighbourhoods, they offer more affordable options for existing residents, such as older adults and young adults, looking to age in their neighbourhoods and free up opportunities for families seeking single-family homes. The MOP further identifies the importance of planning with private housing providers and the Region of Peel in creating affordable housing options. For the Lakeview Waterfront Major Node, the MOP defers to the City of Mississauga Making Room for the Middle Housing Strategy, 2017 (MRMHS) for further direction when planning for housing affordability.

The MRMHS is the City of Mississauga's strategy for accommodating middle income supportive housing. The MRMHS defers to the Region of Peel's definition of affordable housing which stipulates that housing is affordable when a household spends 30% or less of their gross annual income on housing-related expenses. Currently, the following is the accepted City-wide Annual Minimum New Housing Unit Targets for Mississauga as identified in the Region of Peel Official Plan and the MRMHS:

- 17% Social Housing
- 3% Affordable rental
- 35% Market Rental and Affordable Ownership
- 45% Market Ownership

These targets identify a number of sub-categories that constitute affordable housing. The Region of Peel, as the designated Service Provider for the City of Mississauga, has the responsibility of providing housing for vulnerable and low-income households, including Special Needs Housing and Social Housing (also referred to as “assisted”, “subsidized” or “rent geared to income” housing). In the context of the City of Mississauga, the MRMHS emphasizes the need to encourage more affordable housing geared to the “Missing Middle”. The Missing Middle refers to households earning an annual income between \$55,000 and \$100,000. In the broader literature, “missing middle” describes a range of housing types within low-rise to high-rise buildings which cater to the budgets and needs of middle-income households that are “missing” from the market. This describes the housing context in Mississauga, where middle income households are confronted with high competition for housing in their affordable price range and have difficulty finding units that suite their needs due to a lack in unit diversity and supply. Within the City-wide new housing target identified above, Missing Middle-supportive housing includes Market Rental and Affordable Ownership.

It should be noted that Missing Middle housing intersects with diverse economic, social and demographic factors informing different housing needs suitable for students, older adults, artists, families, among others that fall within the middle-income category. For example, students may prioritize lower rents (primary or secondary market) to larger unit size with a parking space, families require 2 or more-bedroom units and may seek to rent or own their home, and artists may prefer a live-work unit which provides certain unit features to support their work. To achieve an appropriate level of affordable housing for Lakeview Village a number of housing tools must be considered including market and non-market rental rates, different forms of tenure and/or diverse unit types and sizes.

Further, it is well understood that collaboration within the development approvals process as well as through financial investment, with the City of Mississauga and Region of Peel in particular, is necessary to provide affordable housing. It is also recognized that programs may be available at other levels of government which might provide an opportunity for contributing to cost considerations for affordable housing. As previously noted, the Region of Peel has a responsibility to provide housing for those with the highest housing need. The City of Mississauga does not have any direct responsibilities to delivering affordable housing and is reliant on funding from the Region of Peel and upper levels of government. However, the City is highly involved in the development approvals process and can support the delivery of affordable housing through various regulatory tools. This is exemplified in actions identified in the MRMHS including, but not limited to:

*“2. Review development standards and requirements to encourage the development of housing that is affordable to middle income households (e.g., parking standards, Section 37 contributions)*

*10. Review the Development Charges By-law to identify opportunities to promote a broad mix of affordable units.*

*15. The Region should consider the deferral of development charges on the portion of affordable units provided in new construction”*

As a housing provider, LCPL is a willing partner in contributing to the achievement of broader goals of housing affordability in Lakeview and Mississauga.

### 3.0 EXISTING AVAILABILITY OF MARKET RENTAL & AFFORDABLE HOUSING IN LAKEVIEW

Data provided by the City of Mississauga and Region of Peel regarding existing apartment units and affordable housing in the Lakeview Neighbourhood. Based on this data, the following housing inventory exists in the Lakeview community:

Townhouses, rental:	36 units (5% of total townhouses)
Apartments (high-density), rental:	1442 units (46% of total apartments (high-density))
Peel Non-Profit H. C. (high-density), rental:	192 units (6% of total apartments (high-density))

The majority of the apartments inventory is located closely to major roads such as Lakeshore Road East or Cawthra Road while the townhouses are generally more spread out in Lakeview. It is also worth noting that the majority of Lakeview’s rental accommodations are built in the 1960’s or 1970’s while the PNPHC rental units were all built in the early 1990’s. This suggests that there is a large supply of high-density market apartment units albeit older housing stock.

As the Lakeview Village project is buffered from other residential areas due to the existence of the Rangeview Estates lands, some of these existing rental accommodations are generally close to the site but not immediately adjacent the limits of the site. The only exception are buildings located along or close to Lakeshore Road East which is also the northerly limit of the narrow extension of the site’s boundary.

Based on information provided by the Region, the only new affordable housing project underway in Lakeview is the four-storey, mixed use project with 66 units at 435 Lakeshore Road East by Indwell. The Region of Peel, a partner in the development, approved funding for the project in July 2018 with construction anticipated in 2020. The Region of Peel also owns lands which were the former Byngmount Beach Public School located on the west side of East Avenue, south of Lakeshore Road East. The 2.75 hectare property is currently under development for a paramedic satellite station but there are surplus lands available for future redevelopment. This is also adjacent an existing PNPHC development of townhouses along Lakeshore Road East.

The final contribution to affordable housing needs to consider this assessment of existing built form types as well as land opportunities in the surrounding context of the LCPL subject lands.

## 4.0 PRELIMINARY COMMENTS NOTED BY THE CITY & REGION

Initial discussions with City but primarily Regional staff have resulted in some early detail on a desired affordable housing component for Lakeview Village. The first round of formal comments on the Development Master Plan summarizes these components. The City of Mississauga maintains its objective to achieve 35% market rental and affordable ownership across the City, as per the MRMHS with a stronger emphasis on the creation of market rental units.

In their comments on the Development Master Plan dated December 12, 2018, the Region of Peel has provided income benchmarks specific to the Lakeview neighbourhood to characterize low-income and middle-income households as well as specific preliminary unit targets for Lakeview Village. The table below was provided by the Region in their DMP comments and includes a breakdown of the percentage of units per income level based on the objectives of the PHHP and consideration for the Lakeview area context:

**Region of Peel DMP Comments on Affordable Housing**

	<b>Emergency/Temp. Housing</b>	<b>Low income</b>	<b>Middle income</b>	<b>Middle income and Greater</b>	<b>Supportive Housing</b>
<b>Provider</b>	Public, Non-Profit	Public Non-profit Private Sector	Private Market	Private Market	Public Non-Profit
<b>% of Units</b>	0.4%	10.3%	13.3%	73.3%	2.7%
<b># of Units</b>	Need not Confirmed	800	1030	All remaining units	Need not confirmed

Through discussions with the Region, priority categories for affordable housing in Lakeview Village in the table above are low-income and middle-income earners. Based on the proposed unit numbers in the DMP dated Oct 5th, this translates to 800 units supportive of low-income households and 1030 units supportive of middle-income households. The Region has indicated that 800 units of low-income supportive housing would be predominantly addressed by the public and non-profit sector and is suggested to be accommodated through providing land to the Region or other alternative means subject to further discussions. The suggested 1030 middle-income units are to be predominantly addressed by the private sector (LCPL) and should emphasize market rate rental units and family sized units.

According to the Region of Peel, low-income households have an annual household income of up to \$59,112. Middle-income households can expect to earn between \$59,113 to \$105,922 per year. Using the 30% indicator for determining affordable housing rates, the following is noted to assess affordability in dollar terms for the provided low-income and middle-income ranges:

	<b>Low-Income Households</b>	<b>Middle-Income Households</b>
<b>Household Income</b>	up to \$59,112	\$59,113 to \$105,922
<b>Affordable Yearly Cost</b>	up to \$17,733.60	\$17,733.90 to \$31,776.6
<b>Affordable Monthly Cost</b>	up to \$1,447.80	\$1,477.82 to \$2,648.05
<b>Affordable Home Ownership</b>	Approx. 235,291*	Approx. \$421,617*

\* This number is taken from the PHHP (2018) and not based on the income range provided in the DMP comments, though the income ranges in the PHHP (2018) are very similar.

The preliminary targets provided within the first round of DMP Comments is very ambitious and higher than any requested affordable housing target seen through a development application, and thus proposes a challenge for LCPL and its partners to achieve. With a requested contribution of over 1,800 affordable unit for this project, the Lakeview Village site is being asked to provide 35% of the overall City's contribution to affordable housing over the next 10 years. This is disproportionate to the size of the Lakeview Village lands to the overall City area, and in consideration of the entire City's intensification areas and their future growth in contrast to the proposed Lakeview Village unit count. An appropriate solution will have to be achieved to ensure the feasibility of the project including consideration of investment and incentives required from municipal, regional, and higher levels of government to achieve a balanced approach.

The context of the Lakeview housing stock and broader housing affordability challenges in the City and Region should be taken into account when considering the appropriate mix of affordable housing in Lakeview Village. To reiterate, the surrounding Lakeview neighbourhood (as is the case in the majority of residential areas in Mississauga) are dominated by low-density areas designated as "Neighbourhoods" by the MOP. It has become increasingly clear through market, land use and planning analysis that these "stable neighbourhoods" are among the most significant obstacles in achieving more Missing Middle affordable housing, family supportive housing in particular, in Mississauga and across the Greater Toronto and Hamilton Area.

This land use pattern has resulted in limited housing diversity in neighbourhoods such as Lakeview, where accommodating increased supply of ground related forms family housing is restricted. This has contributed to reduced household mobility due to a lack of suitable and reasonably priced alternatives in the area and has resulted in over housing (where family-sized homes are occupied by an adult couple or single) and insufficient supply to meet demand of families looking for suitable housing. New development offers an opportunity to support the supply and diversification of housing but is only one component in achieving broader housing affordability. It should be recognized that although apartment units in mid-rise and taller buildings can provide suitable and desirable family supportive units, they are typically the most unaffordable built form to house families.

It is apparent that achieving the housing affordability objectives of the Region and City is larger and more complex than the scope and capacity of Lakeview Village project alone, particularly in consideration of the land use constraints of the surrounding area. It is our opinion that Lakeview Village will be a significant component in contributing supply and greater unit diversity for all types of households to the Lakeview area beyond what currently exists. Further, secondary impacts of the Lakeview Village housing mix should be considered in response to the surrounding area's context. The proposed number of apartment units and smaller unit sizes will help contribute to household mobility and aging in place by providing new housing alternatives in the same neighbourhood and therefore encourage more availability of existing family housing in the surrounding community.

## **5.0 CONTRIBUTING TO HOUSING AFFORDABILITY & MISSING MIDDLE OBJECTIVES**

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The surrounding Lakeview area is characteristic of much of Mississauga's residential neighbourhoods. The housing choice in the area is predominantly limited to low-rise, detached or semi-detached homes. In contrast, the proposed diversity of unit types, including various apartment built forms and townhouse dwellings, within Lakeview Village immediately presents housing alternatives to existing and prospective residents. In terms of unit size, the proposal offers a mix of studio/bachelor, 1 bed, 2+ bed units in the mid-rise and taller element buildings as well as a variety of townhouse unit typologies. This caters to a broad set of space and cost needs for the expected future population including students, families, older adults and young professionals.

As the development of a final strategy for affordable housing in Lakeview Village continues, it should be noted the proposed zoning application for the lands provides flexibility in permitted residential uses including assisted living, retirement living, live-work and rental apartment, among others. This maintains the ability to site various forms of affordable housing as the strategy develops and as funding and potential partners are secured.

## **6.0 PRELIMINARY IDEAS FOR FURTHER CONSIDERATION**

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LCPL is committed to working with the City of Mississauga and Region of Peel in determining how an appropriate level of affordable housing is deployed in terms of type of affordable unit, tenure, location, and ownership/operation. Some preliminary ideas including some potential incentives for achieving a feasible balance of affordable housing in Lakeview Village are noted below.

### **A. Market rate rental housing**

This is noted as a priority tenure type by both Regional and City Staff. LCPL has already pursued avenues to obtain funding to assist in the implementation of market rental units in Lakeview Village and is amenable to further discussions. As the Region is aware, in August 2018, LCPL submitted an Expression of Interest to the Region of Peel regarding the development of purpose-built market rental housing through a Development Charges Rebate Program which has since been cancelled by the Provincial government. This experience has demonstrated LCPL's willingness, subject to the provision of appropriate incentives, to discuss with Staff on the possibility of incorporating an appropriate amount of market-rate rental options.

### **B. Priority unit supply by count, size and tenure**

Ensuring a feasible and appropriate balance between market rental and affordable ownership options. As market rental seems to be a priority for Municipal and Regional strategies/policy, Lakeview Village could review building tenure as part of the overall development, subject to confirming appropriate incentives and ownership/operation agreements.

Other opportunities can be considered to help incentivize certain priority housing needs which are difficult to accommodate. For example, can a larger overall number of 3-bed family sized units and/or artist-supportive units be provided in return for overall reduction in number or percentage of affordable units required for the project (ex. 1 special unit to count for 5 units within the overall number of require units).

## C. Priority unit supply through partnerships

Partnerships are an important factor in accommodating priority units such as low-income housing. Working with the Region of Peel and Peel Living or potential partnering with non-profit housing developers or co-operative housing groups can be considered. Examples of non-profit groups in the broader area include Peel Halton Co-operative Housing Federation, Habitat for Humanity Halton-Mississauga, Trillium Housing, or Indwell that are currently developing a site in Lakeview. These potential partnerships could be organized and operated in a variety of ways and could include the provision of land, units across buildings, or other alternative means of incorporating priority units. The following are a couple examples:

- Artist-supportive affordable housing, potentially in the form of live-work units through a potential partnership with Artscape. The City's OPA 89 framework makes specific reference to the desire to support affordable housing for creative industries and represents a unique housing option for Lakeview Village. In recent discussions with Artscape, this could include approximately 50 units.
- A specialized housing provider such as Bellwoods Centres for Community Living could own a certain number of units in a building for their use to deliver affordable housing for medically-assisted needs.

## D. Direct financial incentives

Regardless of the composition of affordable housing deemed appropriate for Lakeview Village, incentives will be a necessary tool to ensure financial feasibility. These include:

- DC waivers/deferrals
- Parking requirement reductions
- Section 37
- Increase in permitted unit count:
  - An increase in units would support an increase in supply of more diverse and affordable unit forms than what exists in the area today
  - This lends to the idea of "growing the pie" rather than "taking a larger slice". For example, if committing to 10% affordable housing, the more units permitted, the larger the overall number of units within the 10%
  - Increase the amount of Section 37 benefits
- Inform/participate in any potential Development Incentive Pilot Program in association with the new Housing Master Plan of the Region of Peel.

LCPL is exploring/pursuing other funding opportunities as well from various federal, provincial sources and other agencies. Any funding arrangements would ideally be in collaboration with the Region and City.

## E. Contribute to Affordability

There are many ways of accommodating affordable housing options as well as encouraging overall housing affordability within Lakeview Village and the broader area. The following are a number of other potential considerations:

- Review threshold of affordability for ownership or rental based on sustainability elements of Lakeview Village plan. Consideration needs to be given to potential significant cost reductions for vehicle ownership which allow for increased budget for housing opportunities. This is very unique to Lakeview Village due to the transformative modal split options being pursued (i.e. car sharing, bike sharing). Revised affordability thresholds would therefore allow more units to qualify as affordable housing.
- First time (or other) homeownership programs (ex. shared equity, co-housing), among other programs (rent-to-own, etc.) that reduces upfront barriers to ownership while maintaining a market rate unit cost such as Options for Homes.

- Distribute affordable units (whether it be market rental, affordable ownership or low-income housing) across multiple buildings to co-locate with market rate units. This model has shown to be successful in other developments to contribute to affordability as well as to provide inclusive communities.
- Opportunities to integrate secondary units in various built forms (ex. Basement apartments in townhouses, laneway/secondary suite housing, opportunity to be creative with larger condominium units) into market-rate units.
- Consider affordable housing opportunities within the lands to be conveyed to the City (artist units, low-income units, student housing, etc.)
- Consider contributions to off-site affordable housing opportunities.

These preliminary ideas offer a first step in much needed further discussions with the various partners involved and do not represent a commitment from LCPL at this time. LCPL truly believes this complete community will have affordable housing and an arrangement that will be a model for the rest of the city and broader region. We trust this Affordable Housing Brief provides a good first step towards further discussions and working with the City and Region in co-creating and executing an affordable housing strategy that provides an appropriate amount and mix of affordable housing for Lakeview Village.