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## Application Guide

### Gentle Density Incentive Program Affordable Rental Housing Community Improvement Plan

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## Background

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

The Affordable Rental Housing CIP consists of two programs:

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

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

## Purpose of this Application Guide

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

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

## Eligibility

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

Building Permits issued after July 31, 2024, are eligible for the Gentle Density Program, as this is the date the Affordable Rental Housing CIP By-law was passed by Council. There are no retroactive policy provisions in the By-law.

For the creation of a fourth unit, applicants must meet the following eligibility criteria:

- The fourth unit must remain rental tenure for a minimum of 25 years;
- The fourth unit must not be converted to a condominium for a minimum 25-years

There is no affordability criteria for the rent charged for the fourth unit.

## Available Incentives

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

There are two types of incentives available depending on the type of unit you are constructing: Building Permit Fee Rebate and Municipal Charges Grant. Available incentives are described below and outlined in 1.

**Table 1: Incentives available through the Gentle Density Incentive Program**

		2 <sup>nd</sup> and 3 <sup>rd</sup> Units	4 <sup>th</sup> Units
Building Permit Fee Rebate	Building Permit Fee	Refunded	Refunded
Municipal Charges	Cash-in-lieu of Parkland Dedication Charge	Exempt as per the <i>Planning Act</i>	Grant-in-lieu / waived through incentive program*
	City Development Charge	Exempt as per the <i>Development Charges Act</i>	Grant-in-lieu / waived through incentive program*
	Regional Development Charge	Exempt as per the <i>Development Charges Act</i>	Payable
	GO Transit Development Charge	Exempt as per the <i>Development Charges Act</i>	Payable
	School Board Development Charge	May be applicable	Payable

**Table notes:**

\*To be eligible for exemptions from Development Charges and Cash-in-lieu of Parkland Dedication Charge for the fourth unit, a Legal Agreement must be signed with the City maintaining the fourth unit as a rental unit for 25 years.

## **Building Permit Fee Rebate**

Building permit fees will be rebated for building or legalizing two, three, and/or four additional residential units (ARUs). Please note: the building permit fee is required to be paid upfront as part of your building permit application submission, and the permit fees will be rebated to you after the building permit is issued.

## **Municipal Charges Grant**

Fourth units, including fourplexes, are subject to City Development Charges and Cash-in-Lieu of Parkland. Through the Gentle Density Incentive Program, the City will waive City Development Charges and Cash-in-Lieu of Parkland for the fourth unit, provided the unit is maintained as a rental unit for 25 years. The owner of the property will be required to enter into a legal agreement with the City, which will include the following obligations:

- The owner must maintain one of the four units as a rented residential dwelling for 25 years from the first day the unit is occupied. The legal agreement will be registered on title and will bind future owners if the property is sold prior to the expiry of the required 25-year rental term.
- A restrictive covenant would be registered on title under section 118 of the Land titles Act requiring the City's consent to sell the property. The City will give consent provided the restrictive covenant is maintained on title to ensure subsequent owner(s) agree to continue to participate in the Gentle Density Program.
- An annual sworn declaration is required to be submitted to the City to attest to compliance with the Gentle Density Program.
- If the fourth unit is not maintained as a rental unit for 25 years, the owner is required to pay back the City development charges and cash-in-lieu of parkland dedication that were waived under the Gentle Density Program.

As the Gentle Density Program applies to City charges only, Region of Peel, GO Transit, and School Board Development Charges are still applicable.

## How To Apply

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

### Step 1 – Application Submission

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

### Step 2 – Evaluation of Applications

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

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

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

For fourth units and fourplexes only, after evaluation of your Building Permit and Gentle Density Incentive Program applications, the City will notify you of the charges owing. At this time, you will need to sign and submit a legal agreement with the City to secure your incentives. You will also be required to register the agreement on the title of your property and submit a copy of your registration to the City.

### Step 4 – Prior to Building Permit Issuance

All payable charges are due prior to Building Permit Issuance.

### Step 5 – After Building Permit Issuance

Once your Building Permit is issued, send the following information to [housingincentives@mississauga.ca](mailto:housingincentives@mississauga.ca) to receive a rebate for the Building Permit fees paid:

1. Copy of Approved Building Permit for the 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup> unit (as applicable)
2. Copy of proof of payment (typically a .pdf file titled “25-1234ARU Fee Report” where 1234 is your Building Permit number) – **this will be used to determine your eligible rebate amount**

### Step 6 – Building Permit Fee Rebate

Upon successful application to the program and issuance of a Building Permit, the Building Permit fee rebate will be issued by cheque to the landowner within approximately 2-3 weeks, subject to any further information or clarification as may be required by staff.