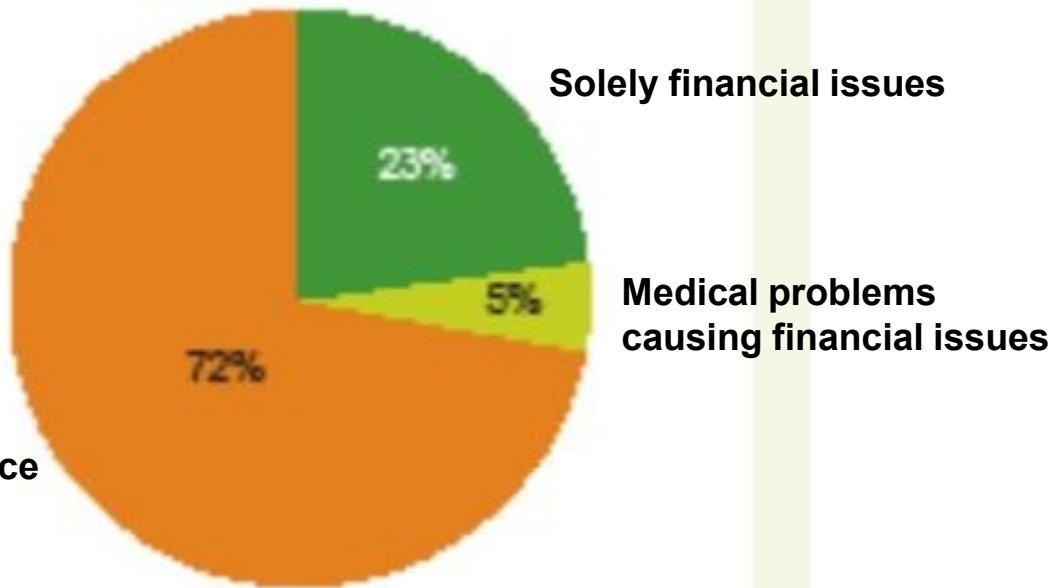


Proposal to expand the “My Home Second Unit Renovation Program”

PROBLEM 1: SOCIAL HOUSING CRISIS

Housing Subsidies to Households on CWL, 2014



Source: pg. 15- Annual Housing System Report, Region of Peel, 2015

In 2019

14997

Households on CWL

647

Households placed on subsidized housing from CWL

≈23 years

Source: 'Facts on housing and homelessness' Region of Peel Website

PROBLEM 2: ILLEGAL/UNREGISTERED SECOND UNITS

‘In 2019 alone, the city (Brampton) received 1577 complaints about unregistered and illegal basements...’

Source: (September 30, 2020) Frisque, Graeme <https://www.toronto.com/news-story/10212253-city-officials-say-brampton-s-illegal-second-units-and-rooming-houses-a-big-health-and-safety-concern/>

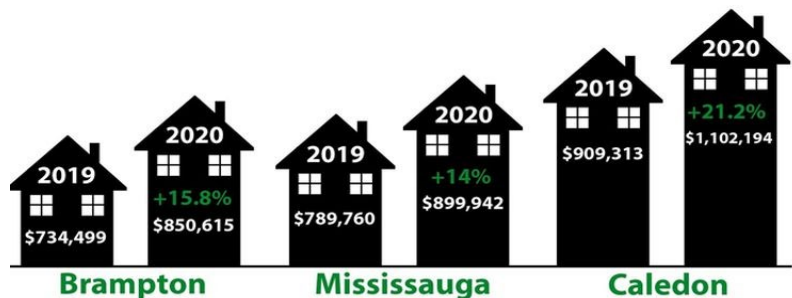
‘All 19 Brampton basement apartment fires were in illegal 2nd units over the past 2 years’

Source: (December 15, 2020) Frisque, Graeme <https://www.toronto.com/news-story/10289687-all-19-brampton-basement-apartment-fires-were-in-illegal-2nd-units-over-past-2-years/>

Barriers keeping people from registering their second units:
(1) Costs associated with bringing apartment up to code (adding kitchens/washrooms, renovations), and (2) unfamiliarity or difficulty with the registration process

PROBLEM 3: AFFORDABILITY OF HOMEOWNERSHIP IN PEEL REGION

Average sale price for all types of dwellings in Peel Region Nov. 2019 vs. Nov. 2020



Graeme Frisque/Metroland graphic

SOURCE: Frisque, Graeme. "Mississauga, Brampton and Caledon Housing Prices Skyrocket as COVID-19 Batters Economy." *BramptonGuardian.com*, 16 Dec. 2020, www.bramptonguardian.com/news-story/10289465-mississauga-brampton-and-caledon-housing-prices-skyrocket-as-covid-19-batters-economy/.

Median household income was \$86,233 before tax in Peel in 2016.

SOURCE: Region of Peel. '2016 Cencus Bulletin, Income' <https://www.peelregion.ca/planning-maps/censusbulletins/2016-income-bulletin.pdf>

Median total income of households, Mississauga: \$83,018

PROPERTY TYPE <small>(ORGANIZED BY DOWN PAYMENT REQUIRED)</small>	MEDIAN PRICE, SEP 2019	MAX MORTGAGE AFFORDABILITY BASED ON MEDIAN INCOME <small>ASSUMES A 3% MORTGAGE RATE, 25-YEAR AMORTIZATION, 1% IN PROPERTY TAXES, \$100/MONTH HEATING</small>	DOWN PAYMENT REQUIRED FOR REMAINDER OF HOME PRICE	DOWN PAYMENT AS A % OF HOME PRICE	YEARS TO SAVE FOR THE DOWN PAYMENT <small>BASED ON SAVING 20% OF INCOME</small>
Condo apt	\$470,000	\$372,409	\$97,591	21%	5.9 years
Condo townhouse	\$609,000	\$352,867	\$256,133	42%	15.4 years
Semi-detached	\$739,900	\$334,446	\$405,454	55%	24.4 years
Detached	\$999,000	\$298,001	\$700,999	70%	42.2 years

Median total income of households, Brampton: \$87,290

PROPERTY TYPE <small>(ORGANIZED BY DOWN PAYMENT REQUIRED)</small>	MEDIAN PRICE, SEP 2019	MAX MORTGAGE AFFORDABILITY BASED ON MEDIAN INCOME <small>ASSUMES A 3% MORTGAGE RATE, 25-YEAR AMORTIZATION, 1% IN PROPERTY TAXES, \$100/MONTH HEATING</small>	DOWN PAYMENT REQUIRED FOR REMAINDER OF HOME PRICE	DOWN PAYMENT AS A % OF HOME PRICE	YEARS TO SAVE FOR THE DOWN PAYMENT <small>BASED ON SAVING 20% OF INCOME</small>
Condo apt	\$413,500	\$403,786 *	\$25,244	6%	1.4 years
Condo townhouse	\$485,625	\$387,265	\$98,360	20%	5.6 years
Semi-detached	\$675,000	\$367,021	\$307,979	46%	17.6 years
Detached	\$805,000	\$348,724	\$456,276	57%	26.1 years

SOURCE: Graham, Penelope. "How Much You Need to Save to Buy a Home in Mississauga & Brampton." *Zoocasa Blog*, 30 Oct. 2019, www.zoocasa.com/blog/down-payment-mississauga-brampton-2019/.

My Home Second Unit Renovation Program (October 2020)

- 1) Interest free loans up to \$20000, up to \$30000 if rented to a tenant referred by the Region of Peel (households on housing CWL), to renovate existing unregistered second unit.
- 2) Eligible homeowners must have an existing unregistered second unit, and need renovations and assistance to transition to a legal, registered second unit.
- 3) Homeowners must rent the second unit at 80% of average local municipal market rent- as per CHMC market report.
- 4) Eligible homeowners have a household gross income below \$110,456.

1) Interest free loans up to \$20000, **up to \$30000 if rented to a tenant referred by the Region of Peel (households on housing CWL)**, to renovate existing unregistered second unit.

	PROS	CONS
REGION OF PEEL	<ul style="list-style-type: none"> - Lower cost per homeowner (compared to proposal) - Upgrade living conditions and housing for existing tenants of illegal second units 	<ul style="list-style-type: none"> - Does not guarantee that loan will ensure housing for household on CWL
HOMEOWNERS	<ul style="list-style-type: none"> -Get to decide whether or not tenant will be referred from Region of Peel -Interest-free capital 	<ul style="list-style-type: none"> -Can not access maximum loan amount if homeowners want to keep current tenants
HOUSEHOLDS ON CWL	<ul style="list-style-type: none"> -May provide housing for households on the CWL 	<ul style="list-style-type: none"> - Does not guarantee housing will provided through program

2) Eligible homeowners must have an **existing unregistered second unit, and need renovations and assistance to transition to a legal, registered second unit.**

	PROS	CONS
REGION OF PEEL	-Will address existing unregistered second units	-Program will not address creation of new unregistered and illegal second units
HOMEOWNERS	-Helps homeowners with close to legal second units bring them fully up to code -Assists with capital and registration	-Does not aid lower income homeowners who do not have an existing second unit to access revenues from creating and renting a second unit
HOUSEHOLDS ON CWL		

3) Homeowners must rent the second unit at 80% of average local municipal market rent- as per CHMC market report

	PROS	CONS
REGION OF PEEL	-Region of Peel and tenants will save \cong 20% on rent	-The 20% discount on rent may deter homeowners renting illegal second units to consider the program
HOMEOWNERS	-Guaranteed rental income for years, backed by Region of Peel	-Will have to charge rent at an \cong 20% discount
HOUSEHOLDS ON CWL	-Access to rent in diverse neighbourhoods at below market rates	

My Home Second Unit Renovation Program (in it's current form)	
Problem #1: Social Housing Crisis	Slightly effective
Problem #2: Illegal Second Units	Effective
Problem #3: Affordability	Effective

1) Interest free loans up to \$20000, **up to \$30000 if rented to a tenant referred by the Region of Peel (households on housing CWL)**, to renovate existing unregistered second unit

2) Eligible homeowners must have an **existing unregistered second unit, and need renovations and assistance to transition to a legal, registered second unit.**

3) **Homeowners must rent the second unit at 80% of average local municipal market rent- as per CHMC market report.**

4) Eligible homeowners have a household gross income **below \$110,456.**

Proposal: 'My Home Second Unit Construction Program',

Sister program to the 'My Home Second Unit Renovation Program'

- 1) Interest free loans up **\$50,000 (or \$30,000-\$40,000*) to build a second unit for rental, must rent to a tenant referred by the Region of Peel (households on housing CWL).**
- 2) **Eligible homeowners are homeowners looking to build a second unit for rental, and currently do not have an existing second unit.**
- 3) **Homeowners must rent the second unit at 80% of average local municipal market rent- as per CHMC market report.**
- 4) Eligible homeowners have a household gross income **below \$95,456*.**

1) Interest free loans up to **\$50,000 (or \$30,000-\$40,000)*** to build a new second unit for rental, **must rent to a tenant referred by the Region of Peel** (households on housing CWL)

	PROS	CONS
REGION OF PEEL	-Guarantees that each loan will ensure housing for household on CWL	- Higher cost per homeowner
HOMEOWNERS	-No risk of displacing current tenants to access maximum loan	-Must rent to tenant referred by the Region of Peel
HOUSEHOLDS ON CWL	-Every loan will ensure housing for a household on the CWL	

2) Eligible homeowners are homeowners looking to build a second unit for rental.

	PROS	CONS
REGION OF PEEL	-Will help Region of Peel address the creation of new unregistered second units	-Expanding breadth of assistance Region of Peel will have to provide for second units programs -Does not address current unregistered second units
HOMEOWNERS		
HOUSEHOLDS ON CWL	-Access to newly built second units for rental	

4) Eligible homeowners have a household gross income **below \$95,456**.

	PROS	CONS
REGION OF PEEL		
HOMEOWNERS	-Lower income home owners that could not have built a second unit can now acquire the capital and resources needed to do so, and thus access the revenues that come with renting a second unit in your home	
HOUSEHOLDS ON CWL		

My Home Second Unit Construction Program	
Problem #1: Social Housing Crisis	Very effective
Problem #2: Illegal Second Units	Slightly effective
Problem #3: Affordability	Effective

1) Interest free loans up **\$50,000 (or \$30,000-\$40,000)*** to build a new second unit or upgrade an unregistered second unit or assist with registration process, **must rent to a tenant referred by the Region of Peel (households on housing CWL).**

2) **Eligible homeowners are homeowners looking to build a second unit for rental.**

3) Homeowners must rent the second unit at 80% of average local municipal market rent- as per CHMC market report

4) Eligible homeowners have a household gross income **below \$95,456.**

In conclusion, creating a sister program to the existing 'My Home Second Unit Renovation Program', the '**My Home Second Unit Construction Program**' will address the issues of:

- 1) Social Housing Crisis- infusing an immense amount of housing through the construction and renovation of new/existing legal second units
- 2) Illegal Second Units- addressing the problem of existing illegal second units, and making the construction of new legal second units easier with the support of the Region of Peel
- 3) Affordability- Providing rental stock at lower than market average rates, and allowing lower income homeowners to access the revenues of renting a second unit

Working in tandem, the two programs will address these issues with an exponentially greater impact than either could individually.