



## The Corporation of the Town of Tecumseh

Development Services

**To:** Mayor and Members of Council

**From:** Brian Hillman, Director Development Services

**Date to Council:** August 8, 2023

**Report Number:** DS-2023-15

**Subject:** Adoption of the Tecumseh Housing Action Plan  
Federal Housing Accelerator Fund  
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### Recommendations

It is recommended:

**That** Report DS-2023-15, entitled “Adoption of the Tecumseh Housing Action Plan: Federal Housing Accelerator Fund”, **be received**;

**And that** the Tecumseh Housing Action Plan, as attached to Report DS-2023-15, **be approved**;

**And further that** Administration **be authorized** to submit a Housing Accelerator Fund application to the Canada Mortgage and Housing Corporation;

**And furthermore, that** the Chief Financial Officer and Director Development Services **be authorized** to sign such documents required to support the application, including a preliminary attestation and an integrity declaration.

### Background

On March 17, 2023, the Federal government launched the \$4 billion Housing Accelerator Fund (HAF), which will provide funding to local governments to fast-track the creation of new homes in Canada. The objective is to accelerate the supply of

housing across Canada, resulting in at least 100,000 more housing units being constructed than would have occurred without the program.

The preparation and submission of a Housing Action Plan is a mandatory requirement for a community to be eligible for funding under the HAF. The Housing Action Plan must include:

1. housing supply growth targets, which reflect the total number of permitted housing units projected with the support afforded by the HAF;
2. additional targets related to the type of housing projected, as well as affordable housing; and
3. a minimum of seven proposed initiatives that will help achieve the committed targets, speed up approvals and support the objectives of the program.

The framework for determining the amount of incentive funding includes base funding, top-up funding and an affordable housing bonus. The HAF is an application-based program being administered by Canada Mortgage and Housing Corporation (“CMHC”). The application portal is now open and applications from municipalities will be accepted until end of day August 18, 2023.

A detailed review of the HAF, its eligibility requirements, timelines, application process, and final approval process was provided by way of Report [DS-2023-09](#), which was approved by Town Council at its April 25, 2023 Regular Council meeting.

Subsequently, at the July 25, 2023 Regular Council meeting, Report [DS-2023-14](#) was approved by Council, which summarized the Draft Tecumseh Housing Action Plan (“Tecumseh HAP”). That Report summarized the process undertaken to prepare the Tecumseh HAP along with its major findings and further indicated that a report recommending adoption of the Tecumseh HAP would be brought to the August 8, 2023 Regular Council meeting. Accordingly, the purpose of this Report is to recommend Council adoption of the Tecumseh HAP (see Attachment 1).

## Comments

The Tecumseh HAP provides the following, which are all program requirements to qualify for funding under the HAF program:

1. new housing targets have been prepared for the Town for the next three years (2024 to 2026), including housing units to be permitted without assistance from HAF (based on the Town’s 10-year historic average) and housing units to be permitted with HAF assistance;

2. an analysis concluding that an additional 267 housing units would be permitted over the three-year period with HAF assistance. These additional housing units are also broken down by housing type and the percentage anticipated to be affordable;
3. a commitment to undertake a housing needs assessment for Tecumseh as part of the new Windsor-Regional Housing Affordability Strategy intended to commence in early 2024;
4. the establishment of Housing Action Plan Goals, of which there are five; and
5. the establishment of Housing Action Plan Initiatives, of which there are ten. The HAF program establishes that there must be a minimum of seven initiatives, although CMHC has indicated that having more than the minimum would be advantageous.

The following are the ten Initiatives established in the Tecumseh HAP:

1. Initiative 1 - Allowing increased housing density and making housing more affordable by pre-zoning lands to all as-of-right semi-detached housing as part of all low density residential districts;
2. Initiative 2 - Promoting higher density development without the need for rezonings, by pre-zoning lands within the Town's Main Street Community Improvement Plan Area to allow "missing middle" housing forms and Mid-Rise Apartments as-of-right;
3. Initiative 3 - Implementing land use changes (official plan and zoning by-law amendment) that would allow residential intensification (multi-unit residential) and new mixed-use development and redevelopment within the Manning Road Commercial District;
4. Initiative 4 - Implementing revised parking requirements such as reduced or eliminated parking spaces for new developments;
5. Initiative 5 - Implementing incentives, including reduced Development Charge Fees, Planning and Building Permit Fees, and making available a Property Tax Equivalent Tax Program to encourage purpose built rental housing and affordable housing units to be built within the Town's Main Street Community Improvement Plan Area;
6. Initiative 6 - Preparing and making available a user-friendly Information Kit for Tecumseh residents to: explain how they can add an ARU to their existing property; provide ARU examples and illustrative design guides; and outline a simplified and streamlined process to obtain a building permit;

7. Initiative 7 - Eliminating building permit fees for ARUs for a 3-year period starting from the date that the Housing Action Plan is adopted;
8. Initiative 8 - Identifying one or more parcels of land that can be made available for affordable and supportive housing, and pre-zoning the site(s) identified;
9. Initiative 9 - Implementing a new e-processing system for all planning-related applications to expedite and streamline the approval process for all new housing developments (expanding on the new e-permitting system that is being put in place for Building Services); and
10. Initiative 10 - Creating a new Housing Advisory Panel (comprising key representatives from the non-profit, private, and public sectors) to: advise Council on housing-related matters; collaborate and to partner to improve housing affordability; accelerate the timelines related to new housing construction; expand housing choices; and increase the overall supply of housing in the community.

Collectively, these Initiatives are intended to accelerate the delivery of housing and contribute to systemic long-term positive changes in the housing supply conditions affecting Tecumseh. Council approval of the Tecumseh HAP will, in the immediate term, allow the Town to file an application for funding under the HAF program. Over the longer term, the Plan will assist in appropriately addressing the evolving housing and socio-economic needs of the community.

It is therefore recommended that Council adopt the Tecumseh HAP, inclusive of the ten initiatives, and that Administration be authorized to submit a HAF application to CMHC by the August 18, 2023, deadline. In addition, it is recommended that Council authorization be provided for the Chief Financial Officer and Director Development Services to sign such documents required to support the application, including a preliminary attestation and an integrity declaration.

## **Consultations**

Community & Recreation Services  
Public Works & Engineering Services  
Financial Services

## Financial Implications

The adoption of the Tecumseh HAP is a prerequisite to filing an application to the HAF program. The amount of incentive funding allocated to successful applicants will be based on a funding program comprising three components:

1. Base Funding: Designed to accelerate all types of supply across the housing spectrum. Each unit projected with the support of the HAF program is multiplied by \$20,000;
2. Top Up Funding: Designed to accelerate certain types of housing, including ARUs, townhomes and low-rise apartments (4-stories or less) and other apartments (greater than 4 stories). Depending on the type of unit, support per unit is either \$7,000 or \$15,000 with the support of the HAF program;
3. Affordable Housing Bonus: Designed to reward the increase in share of affordable housing units relative to the projected permitted units with the support of the HAF program. The percentage growth is multiplied by the ascribed per unit amount of \$19,000 and then by the total projected permitted units with the support of the HAF program.

Based on current calculations, which project an additional 267 housing units could be permitted over the three-year program period because of HAF assistance, the Town may qualify for between approximately \$5.0 MIL to \$7.0 MIL, depending on the breakdown of unit types and affordability.

If successful, the HAF program requires that available funding first be provided to support the Town initiatives, thereby removing municipal financial implications with the implementation of those initiatives. Any remaining funding can be used for capital projects that support the accelerated provision of housing over the next three years.

The HAF application continues to be developed by Administration, with the assistance of Larry Silani, project planning consultant. If the application is successful, a further Administrative Report will be provided to Council seeking authorization to sign any agreements. This future Report will provide detailed costs and associated HAF funding surrounding each of the initiatives. The HAF program provides payment advances for each year, as follows:

Year 1	First Advance: 25% of total approved funding
Year 2	Second Advance: 25% of total approved funding
Year 3	Third Advance: 25% of total approved funding
Year 4	Fourth Advance: 25% of total approved funding

CMHC funding is ultimately based on actual projected housing supply growth being realized over the three-year period of the program. It is acknowledged that the outcome of the Initiatives listed in the Tecumseh HAP will not exclusively lie with the Town, as the overall increase in housing will also be dependent on private sector uptake, labour and market conditions. This emphasizes the importance of engaging with the broad spectrum of stakeholders representing the housing sector through the establishment of a Housing Advisory Panel.

### Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

## Communications

Not applicable

Website     Social Media     News Release     Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Brian Hillman, MA, MCIP, RPP  
Director Development Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
1	Tecumseh Housing Action Plan