



The Corporation of the Town of Tecumseh

Development Services

To: Mayor and Members of Council

From: Brian Hillman, Director Development Services

Date to Council: February 13, 2024

Report Number: DS-2024-05

Subject: Federal Housing Accelerator Fund
Housing Accelerator Fund Contribution Agreement
Tecumseh Housing Accelerator Fund Application
OUR FILE: L11 FED

Recommendations

It is recommended:

That Report DS-2024-05, entitled “Federal Housing Accelerator Fund: Housing Accelerator Fund Contribution Agreement - Tecumseh Housing Accelerator Fund Application”, **be received**;

And that By-Law 2024-013 authorizing the execution of the “Housing Accelerator Fund Contribution Agreement”, in accordance with Report DS-2024-05, **be considered to receive first, second and third readings and be duly passed**.

Background

Housing Accelerator Fund

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 was a mandatory requirement for a community to be eligible for funding under the HAF. The framework for determining the amount of incentive funding included base funding, top-up funding and an affordable housing bonus. This is an application-based program administered by Canada Mortgage and Housing Corporation (“CMHC”). Applications from municipalities were 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.

Tecumseh Housing Action Plan (HAP)

At the July 25, 2023 Regular Council meeting, Council approved Report [DS-2023-14](#), 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, including the identification of initiatives to be undertaken to accelerate the provision of housing in the Town over the next three years.

Subsequently and by way of [DS-2023-15](#), Council adopted the final Tecumseh HAP at its August 8, 2023 Regular Council meeting and authorized Administration to submit a HAF application to CMHC. Accordingly, an application projecting 267 net new housing units over three years, with initiatives funded by the HAF in the order of \$7.83MIL, was submitted.

On February 12, 2024, the Town received an email from CMHC advising of approval of the Town’s HAF application, subject to some adjustments. The proposed adjustments modify the Town’s housing unit targets and projected funding to account for work already underway or planned and to reflect growth rates generally consistent with municipal peers. Further considerations include as of right zoning to permit 4-unit housing in low density areas and to adjust timing for planned initiatives. A summary is provided in the table below.

HAF Application Components	Town’s Original Application Submission	CMHC Approved Adjusted Application
Net New Housing Units over 3 years	267 units	137 units
HAF Funding	\$7.83MIL	\$4.38MIL

HAF Application Components	Town’s Original Application Submission	CMHC Approved Adjusted Application
Pre-zoning of low density residential lands to allow as-of-right multiple units	Semi-detached (2 units)	Fourplex (4 units)
Timelines & Milestones for Program Initiatives	Planned for a Fall, 2023 start	Revised for a February, 2024 start

Comments

A Housing Accelerator Fund Contribution Agreement (“HAF Agreement”) must be executed between CMHC and The Corporation of the Town of Tecumseh respecting the funding under HAF to be received by the Town to implement the Town’s initiatives. The final HAF Agreement incorporates the adjustments noted above and must be executed by end of day, Friday, February 16, 2024. The final HAF Agreement is attached to By-Law 2024-013 in the By-laws section of the agenda.

The proposed adjustments to the number of accelerated housing units and the total funding and timing of initiatives can be accommodated with modifications to the Town’s original HAF program. Administration will take measures to meet the expectation of putting in place zoning to allow as-of-right four-unit housing through processes, including but not limited to, the new zoning by-law development through an expanded work program with our current consultant, consideration of the Town’s water and wastewater models and GIS mapping analysis, with forthcoming reports to Council on these measures. Administration believes that ample opportunity and processes will be available for reasonable and responsible implementation of the various initiatives and expectations. The implementation of the initiatives using HAF funding will go a great distance in realizing the Town’s strategic priority to appropriately address the evolving housing and socio-economic needs of the community, as expressed in its Housing Action Plan.

Consultations

Financial Services
 Legislative Services & Clerk

Financial Implications

With the execution of the HAF Agreement and subject to compliance with its terms and conditions, the Town will be eligible for HAF funding in the amount of \$4.38M, disbursed in four separate advances as follows:

ADVANCES	CMHC FISCAL YEAR	AMOUNT
First Advance	2023/24 (Effective Date – March 31, 2024)	\$1,095,777.60
Second Advance	2024/25 (Effective Date – March 31, 2025)	\$1,095,777.60
Third Advance	2025/26 (Effective Date – March 31, 2026)	\$1,095,777.60
Fourth Advance	2026/27 (Effective Date – March 31, 2027)	\$1,095,777.60

The Town's HAF application requested funding of \$7,833,080, approximately \$1,184,000 of which was to be used for the implementation of the Town's initiatives, including \$738,000 to offset the waiving of Development Charges and Building Permits and the purchase of software for e-processing of planning applications. The balance of the HAF funds, being approximately \$6,649,080, was to be used for capital projects that support the accelerated provision of housing over the next three years.

With the adjustments by CMHC, the total HAF funding is proposed to be \$4,383,110. It is estimated that the work required to implement the initiatives will leave approximately \$3.2M for capital projects that support the accelerated provision of housing over the next three years.

The Council-approved 2024 Planning Services budget includes line items that assumed HAF funding for the implementation of Housing Action Plan initiatives. If Council does not support the HAF funding, there will be insufficient resources and capacity to implement the initiatives and therefore they would not be implemented at this time.

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:

Robert Auger, LL.B.
Director Legislative Services & Clerk

Reviewed by:

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

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None