



The Corporation of the Town of Tecumseh

Development Services

To: Mayor and Members of Council

From: Brian Hillman, Director Development Services

Date to Council: December 10, 2024

Report Number: DS-2024-41

Subject: Expanding Housing Choices and Improving Affordability,
Housing Accelerator Fund:
Initiative 6 - Additional Residential Unit (ARU) Guideline,
Initiative 7 – Elimination of Building Permit Fees for ARUs

Recommendations

It is recommended:

That Report DS-2024-41, entitled “Expanding Housing Choices and Improving Affordability, Housing Accelerator Fund: Initiative 6 - Additional Residential Unit (ARU) Guideline, Initiative 7 - Elimination of Building Permit Fees for ARUs” **be received**;

And that the document titled “Additional Residential Unit (ARU) Guideline, Town of Tecumseh”, dated December 10, 2024, **be received and endorsed**;

And that By-law 2024-096, which will eliminate building permit fees for Additional Residential Units (ARUs) from January 1, 2025 to December 31, 2027, or until such time that associated HAF funding is exhausted, **be approved**.

Background

Tecumseh Housing Action Plan

In August of 2023, Council adopted a Housing Action Plan, incorporating new housing goals, targets and initiatives that that would lead to comprehensive long-term positive

changes to improve housing affordability and to broaden the range of housing choices available to Tecumseh residents.

Tecumseh Housing Accelerator Fund

In February 2024, the Town's Housing Accelerator Fund (HAF) Application received approval, and a funding agreement was entered into with the Canada Mortgage and Housing Corporation (CMHC) setting out nine (9) initiatives to be undertaken by the Town and their corresponding timelines and milestones. HAF Initiatives 6 and 7 deal with facilitating the construction of Additional Residential Units (ARUs) in the Town. ARUs are deemed to be one of the forms of housing that provides more choice and affordability in the Town.

Comments

Initiative 6 – ARU Guideline

HAF Initiative 6 involves the preparation of a user-friendly ARU Guideline that: provides simple illustrations and information on how to add an ARU to a residential property; describes different types of ARUs; and addresses several topics that are commonly asked by the public.

Larry Silani of MillerSilani Inc. lead the preparation of the Town's first ARU Guideline, with illustrations provided by J.P. Thomson Architects Ltd. and graphic design provided by Mackenzie Vandenberg, Tecumseh Communications Officer (see Attachment 1). The intent of the ARU Guideline is to provide, in one document, pertinent information to homeowners and builders that will make it simpler to navigate the approval process along with links to relevant information and contacts. It is believed that the ARU Guideline will assist in facilitating the construction of additional ARUs in the Town.

In addition to the hard-copy version, a web-based version of the ARU Guideline will be placed on the Town's website. The ARU Guideline will be updated over time to ensure the content remains relevant and accurate.

Initiative 7 – Elimination of Building Permit Fees for ARUs

HAF Initiative 7 proposes to eliminate building permit fees for ARUs for a 3-year period. Accordingly, By-law 2024-096 is on the December 10, 2024, Regular Council Meeting agenda. It amends the current Building By-law, Schedule "3" - Administration Fees and Charges, by eliminating the permit fee for ARUs, effective January 1, 2025, to December 31, 2027, or until such time that associated HAF funding is exhausted. For a typical ARU at 650 square feet, the building permit fee would be \$812.50 based on the current permit fee of \$1.25 per square foot.

To compensate the Town, HAF funding will be used to offset any lost revenue because of the elimination of these permit fees.

As with the ARU Guideline, it is believed that the elimination of building permit fees for ARUs will assist in facilitating the construction of additional ARUs in the Town.

Next Steps

Town Administration recommends that Council endorse the ARU Guideline and adopt By-law 2024-096. Once endorsed, the ARU Guideline will be updated to include the preceding By-law number. The Guideline will be made available on the Town's website and hardcopies will be printed for distribution at Town Hall and other public-facing municipal buildings.

Consultations

Chief Building Official

Financial Services

Canada Mortgage and Housing Corporation (CMHC)

MillerSilani Inc.

Financial Implications

The Town's HAF application was approved and is providing \$4,383,110 in funding, approximately \$1,184,000 of which is to be used for the implementation of the Town's nine initiatives. As previously noted, HAF funding will be used to offset any lost revenue to the Town because of eliminating ARU permit fees.

The Council-approved 2024 Planning Services budget included line items that incorporate HAF funding to fund the costs being incurred by the Town to complete the nine initiatives.

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 checked="" 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

Attachment Number	Attachment Name
1.	Additional Residential Units Guideline, December 10, 2024