



The Corporation of the Town of Tecumseh

Public Works & Engineering Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Engineering Services

Date to Council: November 26, 2024

Report Number: PWES-2024-56

Subject: Canada Housing Infrastructure Fund, Direct Delivery Stream
Tecumseh Hamlet Gouin Stormwater Management Facility

Recommendations

It is recommended:

That report PWES-2024-56 Canada Housing Infrastructure Fund, Direct Delivery Stream – Tecumseh Hamlet Gouin Stormwater Management Facility, **be received**;

And that Administration **be authorized** to submit an application to the federal government for funding under the Canada Housing Infrastructure Fund for a future commitment to the Tecumseh Hamlet Gouin Stormwater Management Facility;

And further that the Director Financial Services & Chief Financial Officer and the Director Public Works & Engineering Services **be authorized** to sign any required documents necessary to complete the application and the subsequent documentation for the Canada Housing Infrastructure Fund.

Background

On April 16, 2024, the Government of Canada announced Budget 2024 which committed \$6 billion in federal funding over 10 years to establish the Canada Housing Infrastructure Fund (CHIF). The CHIF is a merit-based contribution funding program for water, wastewater, stormwater and solid-waste infrastructure projects that facilitate increased housing supply and improved densification. It is comprised of two funding

streams, one tailored directly to smaller communities such as municipalities (direct-delivery stream) and the other intended for provinces and territories on a larger scale (Provincial and territorial agreement stream).

The direct delivery stream will deliver up to \$1 billion over eight years to eligible municipalities. For a project to be eligible for funding through the direct delivery stream, it must:

- Directly enable new housing supply;
- Include investment in infrastructure that will remove barriers to enabling housing supply in a community in the short-term;
- Be substantially completed by September 2031.

Eligible projects must support increased capacity of municipal infrastructure, either through capital or planning projects, including new construction, rehabilitation or expansion projects that result in tangible infrastructure for the following systems:

- Drinking water systems, such as treatment facilities, storage assets, pump stations, local and transmission pipes, and natural infrastructure;
- Wastewater systems, such as storage and treatment facilities, lagoon systems, pump stations, sanitary forcemains or sewer pipes;
- Stormwater systems, including pump stations, management facilities, pipes and natural infrastructure.

Planning projects must support a future capital project that would be considered eligible under CHIF.

Applicants must also demonstrate that there is a pressing need for increased housing supply. Applications that demonstrate a high level of project readiness may be prioritized.

In provinces, projects approved under the CHIF **are eligible to receive funding up to 40% of eligible expenditures or 50% of eligible expenditures for municipal governments with a population of 30,000 or less**. Total funding from all levels of government cannot exceed 100% of total project costs, and total federal government funding cannot exceed 100% of total eligible project costs under this program.

The CHIF is accepting project applications through a continuous intake, which opened on November 7, 2024. Applications are being accepted until March 31, 2025 at 3:00 pm EDT. Applications received before the final closing date may be reviewed and approved during the intake period.

Comments

Recommended Project for Tecumseh

In review of potential projects for the Canada Housing Infrastructure Fund (CHIF), Administration is recommending the **Gouin Stormwater Management Facility** that is located in the northwesterly quadrant of the Tecumseh Hamlet Secondary Plan Area (THSPA). Please refer to Attachment 1 for the project location map. The Gouin Stormwater Management Facility includes the construction of a dry pond, landscaping, associated inlet structures and a storm pumping station. This project has regard to the following:

- i) The eligibility criteria, housing enabling goals and timelines identified for the CHIF;
- ii) Addressing the Town's Strategic Priorities of Growth and Economic Development and Council-Approved mandates;
- iii) Prioritization of developing the Tecumseh Hamlet Secondary Plan Area (THSPA) (recommended hybrid scenario within the May 2022 SCM Presentation).

The Gouin Stormwater Management Facility is proposed to be constructed along the north boundary of the THSPA lands just south of the County Road 22 right-of-way. This facility will allow for a controlled discharge by way of a storm pumping station outlet into the existing drainage system (the Gouin Municipal Drain) that currently services the adjacent agricultural lands as well as the existing urban area to the east. It will also include inlet structures to connect to new storm sewers that will be constructed as part of future development. The location and need of the Gouin Stormwater Management Facility has been identified in various studies, including the Upper Little River Master Drainage and Stormwater Management Plan (2023) and the ongoing studies for the Tecumseh Hamlet Secondary Plan, Environmental Assessment, and Functional Servicing Reports.

The installation of critical water and wastewater infrastructure within the Tecumseh Hamlet has been supported by Council to facilitate development and growth within Tecumseh. The Gouin Stormwater Management Facility will further facilitate future low, medium and high-density housing development in the Tecumseh Hamlet while also servicing the existing urban neighbourhood located to the east. Once completed, it will facilitate the development of approximately 1,591 residential units and unlock 437,000 ft² of commercial floor space in the portion of the Tecumseh Hamlet between County Road 22 and Intersection Road. **The 1,591 residential units would provide for a 16% increase in overall housing within Tecumseh with a mix of densities.**

Consultations

Chief Administrative Officer
Development Services
Financial Services
Dillon Consulting Ltd.

Financial Implications

Federal funding of this project from the Canada Housing Infrastructure Fund is up to 50% of the total eligible project costs.

The estimated total project cost for completing the recommended project is \$27,667,000. The following financial implications would arise if the Town's application to the Canada Housing Infrastructure Fund were successful and approved:

| | |
|------------------------|-----------------|
| Total Project Costs: | \$ 27,667,000 |
| CHIF (50%) | \$ 13,833,500 |
| Town of Tecumseh (50%) | \$ 13,833,500** |

**The Town of Tecumseh portion would be subject to cost sharing with the affected developers and landowners within the service area of the Gouin Stormwater Management Facility. Further details on the cost sharing arrangements are required to understand the full financial impact to the Town.

Funding for the Town's portion of costs will come from a combination of the Infrastructure Reserve, Storm Sewer Lifecycle Reserve, OCIF Grant funding and Long-Term Debt. The total amount borrowed is not anticipated to be affected by the fact that grant funding will be released by regular reporting periods, i.e. not advanced.

The Lifecycle Stormwater Reserve has an estimated 2024 year-end balance of \$(500,000). The annual allocation to this reserve effective 2024 is \$1,460,000 with a target annual allocation of \$2,000,000.

As this project will take several years to complete, the amount to be borrowed, if any, will depend on the timing of expenditures and available reserve balances, i.e. impact of other Stormwater capital projects.

The Town currently has \$10.5 million in outstanding long-term debt at 2023 year-end (\$11.7 million in 2022). The Town's 2024 Debt Servicing Costs of \$1.6 million represents approximately 3% of Total Revenues as per our latest Provincial Financial Indicator Review. A measure less than 5% is considered Low risk, greater than 5% but less than 10% is considered Moderate risk and greater than 10% is considered High risk.

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 checked="" 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:

Joseph Lappalainen, E.I.T.
Project Technician

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Development Services

Reviewed by:

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

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Engineering Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

| Attachment Number | Attachment Name |
|--------------------------|--|
| 1 | Tecumseh Hamlet Gouin Stormwater Management Facility |