



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: February 25, 2025

Report Number: PWES-2025-08

Subject: Canada Housing Infrastructure Fund
Direct Delivery Stream Second Application
East Townline Drain and the Manning Road Secondary
Plan Area Regional Stormwater Infrastructure

Recommendations

It is recommended:

That report PWES-2025-08 Canada Housing Infrastructure Fund, Direct Delivery Stream, Second Application, East Townline Drain and the Manning Road Secondary Plan Area Regional Stormwater Infrastructure, **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 East Townline Drain and the Manning Road Secondary Planning Area Regional Stormwater Infrastructure;

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 force mains 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.

There are no limits to the number of applications that a municipality can submit to CHIF.

Comments

Town of Tecumseh's First CHIF Application

On November 26, 2024, Council adopted the recommendations within report [PWES-2024-56](#) which authorized Administration to apply to CHIF program for the **Gouin Stormwater Management Pond and Pump Station for the Northwest Tecumseh Hamlet Secondary Plan Area** (Motion: RCM-281/24).

Administration officially submitted the application on January 7, 2025, and at the time of writing this administrative report we have not received any notice whether our first application has been successful.

Town of Tecumseh's Second CHIF Application - Recommended Project

In review of potential projects for the Canada Housing Infrastructure Fund (CHIF), Administration is recommending the **East Townline Drain and the Manning Road Secondary Plan Area Regional Stormwater Infrastructure** as its second application to the program. 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 Manning Road Secondary Planning Area (MRSPA) (recommended hybrid scenario within the May 2022 SCM Presentation).

The East Townline Drain and the MRSPA Stormwater Regional Stormwater Infrastructure is proposing a series of three stormwater management ponds, municipal drain enclosures and trunk storm sewers to be constructed south of County Road 22 (CR22) along County Road 19 (CR19) and within the MRSPA. Attachment 1 provides the project location map.

The benefit of this project has been identified in a technical stormwater management (SWM) report completed by Landmark Engineers Inc. (Landmark) 2024. Specifically, this would form part of a collaborative and integrated stormwater management solution between the Town of Tecumseh, the County of Essex and the landowners/developers within MRSPA and would manage stormwater for the watershed that includes the existing neighbourhoods, future road expansion of CR19 and the future development of MRSPA.

Without the implementation of this stormwater management infrastructure, increase stormwater runoff would cause downstream areas to flood. Careful consideration for the capacity of the downstream stormwater system was taken. This project is located within the upper reaches of the East Townline Drain drainage area which historically has been susceptible to flooding. The SWM report identified that quality and quantity control is required, not only to offset the additional flow from new development, and road reconstruction and expansion projects, but furthermore to reduce the existing peak flow rate to be conveyed north, across CR22, and ultimately to the downstream end of the watershed.

Manning Road Secondary Planning Area Development

The Manning Road Secondary Planning Area is approximately 100 hectares (243 acres) of land bounded by CR22 to the north, with CR19 to the east, Canadian Pacific (CP) Railway to the south and existing residential development to the west (refer to Attachment 1 Project Location Map)

Currently, there are 9,983 housing units within the Town of Tecumseh. The MRSPA is poised for approximately 3,300 additional residential units, comprising a mix of housing types (singles, semis, townhomes, apartments) and densities (low, medium and high). When fully developed, this new housing would provide for a 33% increase in overall housing units within Tecumseh. The development of the MRSPA will deliver housing consistent with Federal, Provincial and local initiatives to accelerate housing in response to the housing crisis.

Completion of the East Townline Drain and the MRSPA Regional Stormwater Infrastructure is critical to jump start and accelerate the development of the residential lands within MRSPA. Three of the main landowners within MRSPA, who own approximately 211 of the 243 acres (87%), have been working with the Town and the

County of Essex on advancing the construction of the MRSPA regional stormwater infrastructure to facilitate residential development. These developers have indicated that approximately 50% of the total MRSPA lands could commence in 2025 as an initial phase provided the regional stormwater infrastructure is in place. To put this into perspective, the first phase would equate to 1,980 housing units of the projected 3,300 housing units within MRSPA and would be a 20% increase in overall housing units within the Town.

Consultations

Development Services
Financial Services

Financial Implications

Federal funding of this project from the Canada Housing Infrastructure Fund is up to 50% of the total eligible project costs for communities of less than 30,000 population.

The estimated total project cost for completing the recommended project, including land costs is \$31,423,980. The following financial implications would arise if the Town's second application to the Canada Housing Infrastructure Fund were successful and approved:

Total Project Costs:	\$ 31,423,980
Total Eligible Costs:	\$ 20,322,000
Federal (50% of Eligible Costs)	\$ 10,161,000
Town of Tecumseh**	\$ 21,262,980

**There are ongoing discussions between Town Administration, County Administration and the three main landowners within MRSPA on cost sharing the regional stormwater solution for the East Townline Drain and the MRSPA stormwater management facility. A future report to Council outlining this initiative is forthcoming.

Funding for the Town's portion of costs will come from a combination of the Infrastructure Reserve, Storm Sewer Lifecycle Reserve, Development Charges, 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 \$(600,000). The annual allocation to this reserve effective 2025 is \$1,535,000 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 \$9.4 million in outstanding long-term debt at 2024 year-end (\$10.5 million in 2023). The Town’s 2025 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	Project Location Map